The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Japan Will "Observe" Nine-Power Treaty But Increases Pressure on China

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Japan Increases Pressure for a Military-Economic Alliance with China

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AMERICA'S POSITION IN A FAR EASTERN WAR

SINCE the first of the year American newspapers and magazines have been exploring the possibilities of a war between Japan and the Soviets and speculating on the position of the United States in the event of a Russo-Japanese outbreak. There naturally are three points of view—that America should remain strictly neutral —that America should help Japan crush communism—that America should help Russia defeat Japanese militarism. Nathaniel Peffer, one of the best informed writers on Far Eastern affairs, discussed all phases of the subject in a recent article in *Harpers* and rather inclined to the viewpoint that the United States has less to fear from a Russian victory over Japan than would be the case if Japan emerged triumphant. He also pointed out, however, the signifiant fact that certain powerful elements in Great Britain and elsewhere in Europe might react differently, that is, might prefer a Japanese victory; hence in the event of a Far Eastern war the United States would immediately become the center of propaganda from all sides with the object of swaying her course of action. European interests not in a position to take sides themselves, would exert strong influence to induce the United States to do their fighting for them. In this respect the situation would be somewhat similar to that which preceded America's entrance into the world war. The American people tried to preserve their neutrality but finally found themselves so deeply involved because of financial advances to the Allies and interference with their commerce, that they had to join in the struggle. Frank Simonds in his recent excellent volume, "America Faces the Next War," showed quite clearly that American participation in the last European struggle accomplished little more than to enable one group of ancient adversaries to triumph over another group. With special reference to the present European crisis, Simonds forecasted that present American meddling in Europe would likely result in our involvement in the next war as it did in the last one.

With reference to the arguments favoring American neutrality with respect to the generally

forecasted war between Japan and the Soviets, it has remained for the *Christian Century*, leading American journal devoted to religious topics (Chicago), to present the interesting argument that American should steer clear of any possible conflict with Japan because China commerially is not worth fighting for. The editor of the Chicago religious journal did not put it quite so bluntly as that, but he stated that the only possible cause of a war between Japan and the United States would be a conflict over the China question. Quoting Peffer's article in *Harpers*, the editor of the *Christian Century* pointed out that "aside from the Monroe Doctrine, the United States has had only one unswerving foreign policy.... that no other power shall preempt for itself the right to the economic exploitation of China, either by outright annexation or substantive domination." The editor of the *Christian Century* then presented three arguments which he apparently regarded as conclusive that America should not go to war with Japan over the China trade issue: (1) The Open Door is already in process of being closed by China's action in erecting high tariffs; (2) The Chinese market is constantly becoming less important to American export trade; (3) The development of the China market, under any circumstances, is likely to be slow whether under Japanese domination or if left in Chinese hands. Based on these arguments the editor of the religious journal called upon the peace forces of the United States to exert themselves against America's possible involvement in an armed clash with Imperial Japan over the China trade issue.

Coming from a journal primarily devoted to religion it appeared strange that the editor in his arguments made no mention whatever of moral or ethical elements which are likely to become the deciding factors should the situation arise making it necessary for the United States to take a stand against Japan. In the case of the world war, while financial and trade considerations played a tremendous part in the decision to join the Allied side, it required more than that to stir the American people up to the point where they were willing to devote their supreme strength to the Allied cause. It is difficult to summarize these intangible elements—moral and ethical values—which finally cast the deciding vote on the Allied side, but that they greatly outweighed the commercial and financial factors is obvious. Briefly the American people went into the war because they thought the Allied side—the British and French side—was the right side and that America's future would be safer in the event of an Allied victory than it would be in the event of a Prussianized German victory. There are innumerable elements which enter into the causes of war, some being definite and concrete such as the defence of a nation's territory against armed aggression, the defence of independence, the protection of commerce, the profit motive, the element of insecurity and so on. Then there are the intangible or moral elements such as blood and racial kinship, language and religion, pride of nationality, protection of civilization, defence of institutions, inviolability of treaties, sympathy for the victims of aggression and atrocities and similar elements. Those who may be interested in pursuing this subject further will find them all weighed in a little volume, "The Things Men Fight For," which was written by Dr. H. H. Powers in 1918 at about the time America entered the war. The final question which the American people were called upon to answer was, "Shall Germany or Britain prevail.... which of these master hands shall shape the ideals and the institutions of the future?" Dr. Powers then answered the question to the following effect and we leave it to our readers to say whether the commercial element had any particular bearing on the final decision, "With all her undoubted patriotism she (Germany) still thought she could bully the Belgian and buy the Briton, or failing that, that she could incite the Irish and intimidate the Italian and bribe the Boer. Her obtuseness to the laws of human sentiment and free volition has had no parallel in recent history, and is the perfect corollary of her engrossment in the problems of physical force...."

It is naturally admitted that these elements may not be so clear-cut in any struggle which may develop in the Orient, but the fundamentals are there and that they will greatly over-balance the commercial element is the most obvious thing in the world. In recent months the writer has heard the "coming war in the Orient" discussed from all possible angles by groups of Americans interested in all manner of occupations in this part of the world and in no single instance has he heard the "commercial" element put forward as the chief incentive for opposing Japan. Assuredly the Americans would not go to war with Japan in order to sell China more airplanes, automobiles or chewing gum, but when Japan's warlords tell the American people that they can't sell them in China without Japan's consent and that the Japanese are descendants of the gods and in consequence are foreordained to rule the world, the trade element then passes out of the picture and the moral and ethical values become the deciding factors.

AMERICAN SCHOOL'S $50,000 DRIVE AND THE COMMUNITY

THE management of the Shanghai American School announced on May 5 the beginning of a financial campaign among the members of the American community for the purpose of raising $50,000 needed to meet a serious deficit. The deficit was caused, partially at least, by the necessity of reducing the fees for children on account of the depression. The *Shanghai Evening Post*, local American daily, published an editorial on the opening day of the campaign urging all members of the American community to contribute as liberally as possible in order that the campaign may be successful. *The Review* heartily endorses that statement and more, it believes the American

community will support its school, the one distinctly American institution in the city in which all citizens are interested.

The *Evening Post*, in its reference to the financial drive expressed the hope that an important result of the campaign "would be an added interest in the school on the part of the whole American community." That the American community generally has not been interested in the activities of its school in the past is a correct statement of an unfortunate situation which should be corrected—immediately after the completion of the present drive. The American school was established originally as an educational institution for the children of missionaries. For a considerable period it occupied rented property in the Hongkew section, but when the American commercial community began to increase in numbers following the World War the need was felt for increasing the facilities of the school. A considerable sum of money was raised locally and in the United States and the present property was purchased and buildings constructed in the local French Concession where a majority of the local Americans reside, although practically all of the local American business houses as well as the missionary offices are located in the International Settlement. In order to make the school representative of the entire community a change was made in the constitution providing for a new board of directors containing representatives selected equally from each group in the community, that is, the missionaries and the non-missionaries. In accordance with this arrangement the mission boards elected half of the members of the board of directors and the other members were elected from the commercial, or non-missionary members of the community. The arrangement has worked admirably from the standpoint of the missionary members because they are organized and perhaps have taken a deeper interest in the school than has been the case of the other group. According to the school constitution the non-missionary members of the board of directors were to be elected by the local American Chamber of Commerce *and the American Association.* This also worked satisfactorily for a time but in recent years it has become increasingly unsatisfactory, due partially to the fact that the local American Association passed out of existence. Since that time the Chamber of Commerce has appointed all of the members allotted to the non-missionary section of the community and this has resulted in abuses which it is not necessary to mention here, but which are generally known and are largely responsible for the lack of interest in the institution on the part of the community generally.

There would seem to be two ways of rectifying this situation, the simplest method being for the American Chamber to invite some other group such as the Parent-Teachers Association to cooperate in the selection of the non-missionary members of the Board. The other method would be more difficult to achieve, but would be more successful in the long run because the American Chamber of Commerce, due to the growth of the American community can no longer be regarded as the sole representative of the non-missionary sections of the community. This is due to the fact that large numbers of Americans have come to Shanghai in recent years, as professional men, advisers to the National Government, or as employes of Chinese and other non-American firms, who are not interested primarily in the restricted activities of the Chamber of Commerce. For example the recent annual report of the Chamber showed a membership of 193, of which 151 represented firms and 42 individuals. But in spite of the fact that a number of important matters were scheduled for consideration at the annual meeting only 37 members or less than 20 percent of the membership showed up at the meeting. At previous annual meetings the attendance has been even worse, a situation which speaks for itself.

There is one obvious method of remedying this situation, and as stated in the foregoing, steps should be taken immediately after the conclusion of the school drive, to organize the entire American community into one compact group somewhat as the other national communities in Shanghai have done. According to plans which are now under consideration the proposal is to form an American Community or Residents Corporation or Association to which every member of the community, regardless of profession or sex could belong. This organization, which would be truly representative of the community, could then assume responsibility for the support, not only of the school, but of other distinctly American activities such as charity funds, observance of national holidays, etc., etc. This would relieve the Chamber of Commerce of several burdens of a non-commercial nature and at the same time remove sources of criticism and dissension which have been damaging to both the organization and the community. There is hope that those who are interested in this proposal will proceed toward the formation of an American Residents Corporation immediately after the completion of the school drive. Obviously if the community is to be called upon to assume responsibility for the financial support of the school, the Community as a whole has the right to have something to say about the management of the school and particularly the selection of members of the board of directors who control the policies of the institution.

ECCENTRICITIES OF NIPPON'S POST OFFICE CENSORS

THE *China Weekly Review* has a considerable circulation in Japan among public officials, chambers of commerce, business houses, school libraries, and individuals interested in events on this side of the Yellow Sea, the list being a rapidly growing one without any particular effort on our part to stimulate same. But our readers in Japan often experience considerable difficulty in receiving their papers due to the eccentricities of the post

office censors. We have no idea as to the identity of the censors or to whom they owe their authority, but their methods are peculiar and often defy analysis. For example the issue of *The Review* dated Dec. 30 (Vol. 67, No. 5) was withheld from the Tokyo Chamber of Commerce, the Bank of Japan, the International Association of Japan, the Mitsubishi Economic Research Bureau, the *Japan Times*, Mitsui Bussan Kaisha, Yokohama Specie Bank and the *Japan Advertiser*. The issue of *The Review* for Dec. 30 contained a review with chronology of events pertained to the Manchurian situation, a great deal of which was summarized from material which already had appeared in the Japanese newspapers, hence the puzzle as to why that particular issue was withheld from some of the leading business and financial houses of Japan, including the Tokyo Chamber of Commerce. No attempt apparently was made to prevent other subscribers in Japan from reading that particular issue. Here is another strange case: The issue of our paper on March 10 (Vol. 68, No. 2) was withheld from eight subscribers in Japan, the list being headed by the Yamaguchi Higher Commercial School. This issue happened to contain an editorial speculating on the possibilities of war between Japan and the Soviets and an article about the Japanese advisers in Manchukuo. Here again the articles contained information much of which previously had appeared in the Japanese press. But while this issue was withheld from several school libraries, including the Department of Law of the Kyoto Imperial University, there was no interference with copies mailed to the large banks and commercial houses. A further peculiarity was noticed with respect to the issue of the paper on Feb. 24 (Vol. 67, No. 13) for while the censor detained copies of this issue addressed to the Yamaguchi Higher Commercial School, there was no interference with copies mailed to other educational institutions, including the Kyoto Imperial University. Sometimes copies of the paper are delayed for considerable periods before delivery to subscribers, this being the experience of the *Japan Chronicle*, the British paper at Kobe, a subject which the editor of that paper has frequently commented on editorially. He suggested that the censors apparently had found *The Review* so interesting that they had taken it home the read thoroughly before permitting it to go to the subscribers. Based on the foregoing we imagine the Japanese post office censors must be persons of extraordinary mentality for they must read each copy of *The Review* and then decide which subscribers in Japan should not be permitted to read the articles in that particular issue. The practice naturally makes it rather trying for our readers in Japan who desire to keep complete files, a situation which we frequently hear about through requests for missing issues. But we do admire their patience and persistence for most of them continue to subscribe for the paper year after year, despite the actions of the censor who apparently has the power to select the articles which they should, or should not be permitted to read.

Japan Increases Pressure for a Military-Economic Alliance With China

JAPAN'S present moves in the Far Eastern and international diplomatic fields have as their primary objective the forcing of China into a military and economic alliance with Japan, which, if consummated would have the effect of eliminating American and European interests and influence from eastern Asia and the relegation of China to the position of a dependency somewhat as that now occupied by Manchuria.

In order to accomplish this major ambition the Japanese ruling group which includes the military clique and the financial and commercial interests affiliated with the houses of Mitsui and Mitsubishi has been responsible for two recent moves: the declaration of the so-called Asiatic Monroe Doctrine and the exertion of pressure on the Chinese Government. The declaration of the Asiatic Monroe Doctrine was designed primarily for the purpose of scrapping the Nine-Power Treaty which guarantees China's sovereignty, independence, territorial and administrative integrity. Pressure upon China, exerted in numerous ways, has been designed to force China into compliance with Japan's chief objective—a military and economic alliance—which would have the double effect of stifling Chinese objections and thus preventing the other nations of the world from interfering with Japan's activities in the Far East or assisting in the Chinese reconstruction program.

While the Tokyo foreign office was compelled, because of foreign opposition, to withdraw the hands-off declaration generally regarded as a glaring violation of the Nine-Power Treaty, there has actually been no change in the fundamental policy of the Japanese Government with respect to its intention to establish financial and economic control over the Chinese people and their governmental institutions. This is proved by recent declarations of Japanese governmental officials at home and the actions of their military and diplomatic officials and other emissaries on this side of the Yellow Sea. Also, of interest in this connection is the fact that Japan's reply to the foreign diplomats wherein Koki Hirota, Foreign Minister, requested them to consider the hands-off declaration as "officially non-existent" has never been released for publication in the Japanese press. Furthermore the Tokyo foreign office has not as yet made any official reply to the American Note of May 1 (see issue of May 5, Page 398) wherein Cordell Hull, Secretary of State, repudiated the Japanese hands-off doctrine in a clear-cut statement which indicated that there has been no change in American policy since the enunciation of the so-

called Stimson doctrine following Japan's seizure of the Manchurian provinces. Inspired reports in the Japanese newspapers on May 4 hinted that Hirota may, later on, send a reply insisting on Japan's right to place her own interpretation on the Nine-Power Treaty, but as yet there has been no such development. However, both Premier Saito and Foreign Minister Hirota took advantage of the annual meeting of Japanese prefectural governors in Tokyo on May 4 to issue statements indicating there has been no fundamental change in Japanese policy toward China. In this connection Hirota stated that the "very significance of Japan's existence as a Great Power lies in awareness and acceptance of her mission in East Asia. And the more we realize this mission the clearer becomes the magnitude of our responsibilities and the need for the utmost efforts on our part. . . . What is termed gratuitous assistance of outsiders from selfish standpoints will not, I believe help China realize her aspirations. It would of course be impossible for Japan to remain indifferent to any actions of a third country that would complicate Sino-Japanese relations, or any act of conspiracy against the peace and order of East Asia. The acts and schemes on the part of China herself against Japan are fully expected to cease. It is gratifying that the more recent developments in China seem to indicate that China is gradually coming to comprehend our true motives so that our two countries appear to be nearer a fundamental understanding relative to their relations." Hirota then repeated his previous statement that Japan intended to respect all treaties and engagements existing between her and the other Powers and that she has no thought of trespassing on their rights and interests under existing treaties. . . "But in view of the fact that on questions of East Asia our views were rejected by the Powers in the meeting at Geneva of the League of Nations, which forced our decision to withdraw from the League, it would surely be unwise to reproduce a situation such as was encountered at the League meeting. We will, therefore, hold on to our responsibilities and try to promote understanding with other Powers concerned." This statement to the prefectural governors constituted an amplification for domestic purposes of Hirota's official declaration to the Ambassadors of the United States and Great Britain which was made public in Japan on May 2 to the following effect,

> "Japan has not infringed upon China's independence or interests, nor has she the slightest intention to do so. In fact, she sincerely desires the preservation of the territorial integrity of China and her unification and prosperity. These ends should, fundamentally speaking be attained by China herself through self-awakening and voluntary efforts.
>
> "Japan has no intention to trespass upon the rights of other Powers in China. Their bona fide financial and commercial activities will redound to the benefit of China, which is quite welcome to Japan. She, of course, subscribes to the principles of the Open Door and Equal Opportunity in China. She is observing scrupulously all existing treaties and agreements concerning that country.
>
> "However, Japan cannot remain indifferent to anyone's taking action under any pretext, which is prejudicial to the maintenance of law and order in East Asia for which she, if only in view of her geographical position, has the most vital concern. Consequently, she cannot afford to have questions of China exploited by any third party for the execution of a selfish policy which does not take into consideration the above circumstances.

With reference to Japan's general policy toward China which comes under the scope of the Nine-Power treaty, hence is of special interest to the United States, Great Britain, France, Italy and the other signatories to that agreement, it also should be stated that Japan's policies in north China have a special significance with respect to China's relations with Soviet Russia. Although no definite evidence is in existence it is generally believed that one of Japan's main objectives in the north is to reach an agreement with China which would permit Japan to use the so-called demilitarized zone and the Peiping-Tientsin area as a military base in the event of war between Japan and the Soviet Union. This is supposed to be the main object behind Japanese pressure to obtain a concession for extending a railway to Peiping from Jehol and her alleged offer of a large loan to the north China authorities for extending the Peiping-Suiyuan railway westward from Paotowchen in Suiyuan province along the southern border of Outer-Mongolia into Sinkiang or Chinese Turkestan. Granting of these concessions would enable the Japanese to extend their influence into Inner-Mongolia and in the case of war with the Soviet Union would enable the Japanese to send troops into Outer-Mongolia, a Soviet-controlled territory and also to the borders of central Russia.

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With the object of forcing China to consent to direct negotiations with Japan for the settlement of outstanding issues and with the ultimate objective of concluding a Sino-Japanese military and economic alliance, the Japanese recently have been pressing China on two additional fronts, Shantung and Fukien. A report in the *Osaka Mainichi* on April 27 stated that the Japanese cotton mill interests in Osaka and in China have formed an association for the purpose of promoting cotton culture in Shantung province, in which connection they have been pressing Gen. Han Fu-chu, governor of that province, to grant a concession under Japanese auspices for promoting cotton culture in Changtien and ten neighboring counties of the province. Kotaro Hiraoka, representative of the Japanese cotton mill owners and raw cotton dealers, was quoted as stating that such a concession would enable Japan to produce under her own auspices a considerable volume of Japan's raw cotton needs now obtained from the United States and India.

Aside from the attempt to obtain a cotton-growing concession in Shantung, which allegedly was the real cause of Gen. Han Fu-chu's recent threatened resignation, the bulletin issued by the Japanese Military Headquarters in the Japanese Concession at Tientsin, on May 1 published a

report indicating that Japan is beginning to pay special attention to the Chinese harbor development project at Haichow, which is located on the northern Kiangsu coast just south of the Shantung peninsula. For the past two years the Chinese have been working on a port-development project at Haichow, which, when completed is expected to rival Tsingtao on the Shantung coast which was developed originally by the Germans and while now controlled by the Chinese is, nevertheless, the center of important Japanese enterprises. The development work at Haichow is under the engineering supervision of the Netherlands Harbor Works, a firm which previously was responsible for the harbor development works at Hulutao on the Gulf of Liaotung on the southern Fengtien, Manchurian coast. The Chinese development of Hulutao, which was expected to make that port a rival of the Japanese port of Dairen, constituted one of the chief incentives for the original Japanese intervention in Manchuria. When the Japanese took over Manchuria and forcibly stopped the work at Hulutao, the Netherlands engineering concern was employed by the National Government to carry out the work at Haichow. And now, as might have been expected, the Japanese have begun to raise objections to the Haichow project on the ground that the development of this port, under purely Chinese auspices, would be detrimental to Japanese vested interests at the port of Tsingtao which is located about 150 miles to the north. A further reason for Japanese objection to development projects is that the port of Haichow is used as one of the landing stations for the China National Aviation Corporation (which contains American capital) in its service between Shanghai and Tientsin-Peiping. Haichow is the deep-water sea terminus of the Lung-Hai railway which extends westward for several hundred miles across northern Kiangsu and Honan provinces into Shensi province. According to present Chinese plans this railway is to be extended still further west to Sian, capital of Shensi and ultimately to Lanchow, capital of Kansu province. Since an inspection of this project constituted one of the chief reasons for T. V. Soong's recent trip to the northwestern territory, the Japanese military bulletin charged that as Soong is a director of the National Economic Council which recently negotiated the U. S. $20,000,000 cotton and wheat loan, it means that America is really involved in the Lung-Hai railway extension scheme, the underlying purpose being to connect up the port of Haichow through northwestern China with Soviet Russia and the Trans-Siberian railway. In view of this situation the writer in the Japanese military bulletin urged the Japanese authorities not to focus all their attention on Manchukuo and north China, but to also keep their eyes on this new Chinese project, which in their opinion, is designed to circumvent the Japanese. The port of Haichow, it might be mentioned is the only remaining port of consequence on the China coast which is still controlled exclusively by the Chinese Government.

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While no official statement has been issued by the Nanking Government numerous reports have been in circulation that China may shortly comply with Japan's wishes and open negotiations for the settlement of outstanding problems. The Chinese newspapers on May 8 published a report from Nanking stating that Y. Suma, Jappanese Consul-General in Nanking had approached Wang Ching-wei on May 2 requesting that formal negotiations be opened. On this occasion Suma was stated to have recommended on behalf of his government that the "peace of East Asia depended upon direct negotiations between Japan and China without intervention by any third party." In addition to this report the *Chekiai agency*, an independent Chinese service, stated that Consul-General Suma recently had conferred with representatives of Japanese banks interested in China and that a proposal had been made for organizing an independent Japanese banking consortium for the purpose of making loans to China. The Japanese banks concerned in the scheme were the Yokohama Specie Bank, Bank of Taiwan and the Mitsubishi Bank and according to the report they had invited other foreign banks to participate in the group. The Chinese report alleged that the "real Japanese object is to carry out a plan of controlling Chinese industries through investments, particularly the Chinese cotton manufacturing industry." Also there was a *Rengo* report from Peiping which was published in the Japanese newspapers stating that the Nanking Government was shortly appointing a new chairman of the Committee for the Liquidation of National Debts, which originally was headed by T. V. Soong, former Minister of Finance. The Japanese report claimed that the new head of the committee would be Huang Hsiang-hsi, who allegedly is chiefly concerned with a scheme for the acknowledgement and refunding of the Japanese Nishihara loans, amounting to approximately $500,000,000, which were advanced to the Chinese Anfu clique of militarists and politicians who had control of the Chinese government at Peiping during the course of the world war. The report stated that Huang Hsiang-hsi recently had been in Kuling conferring with Gen. Chiang Kai-shek on the subject of refunding the defaulted Nishihara loans which have long been a sourse of controversy between the two countries. The Nationalist authorities have contended that these loans were advanced by Japan to an unrepresentative clique of militarists and politicians in temporary control of the Chinese government, for political purposes, hence they constitute no obligation of the National Government, which, up to the present has refused to consider repayment. T. V. Soong, former Minister of Finance, once stated that the Chinese authorities have no record whatever of the loan agreements which were secret in nature and allegedly were concerned chiefly with Japanese concessions in Manchuria. The money was devoted to no constructive purposes and according to report went into the pockets of a small group

of military and political adventurers who deposited most of it in foreign banks in Tientsin or invested it in the Japanese port of Dairen.

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Aside from the issue of the Nishihara loans, the Japanese have an extensive list of outstanding questions which they intend to press China for settlement, chief of which is a reduction of Chinese tariff duties on Japanese goods leading ultimately to a reciprocal tariff agreement which would give Japanese goods preferential treatment over American and European products and thus pave the way for the much discussed Sino-Japanese "bloc." Then there is a long list of Japanese claims, numbering according to report to some 1,500, which the Japanese are insisting that China must acknowledge and make arrangement for settlement. But above all else is the matter of inducing China to grant nominal recognition to the puppet state of Manchukuo through the resumption of railway and postal communication, establishment of customs offices and demarcation of a boundary between the puppet state and north China, and the granting railway concessions in north China which would have the effect of linking up the Japanese protected state with north China, Inner-Mongolia and Sinkiang.

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What China intends to do about this most serious problem of negotiating with Japan is still a closely guarded secret of Gen. Chiang Kai-shek and Wang Ching-wei, head of the Executive Yuan and concurrently Minister of Foreign Affairs. Reports in the Chinese newspapers on April 30 and May 3 stated that China had unofficially approached the various Powers signatory to the Nine-Power Treaty with the object of obtaining their advice and assistance. The official *Kuomin* service in a Nanking report on April 30 stated that China had originally attempted to invoke the Nine-Power Treaty following the beginning of the Manchurian complications in 1931, but it was pointed out at the time that this was impossible because of the League's attempt to settle the issue. Now, however, stated the report, Japan's declaration of hegemony over Asia "has made it incumbent on the Nine-Power treaty Powers to meet in conference and devise measures for fulfilling their obligation." A *Rengo* report from Shanghai which appeared in the *Japan Chronicle* on April 29 claimed that China also had approached the Soviet authorities with reference to the negotiation of a non-aggression treaty, but this report was not confirmed. A *Nippon-Dempo* report from Peiping which was published in the *Japan Advertiser* (Tokyo) on May 3 stated that while the Chinese military authorities had already taken steps to improve the situation in north China through withdrawal of the troops of Marshal Chang Hsueh-liang, (largely Manchurians and in consequence anti-Japanese), apparently in preparation for opening negotiations for a settlement of Sino-Japanese complications, recent developments had caused the Chinese to slow up on their pro-Japanese moves.

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Elsewhere in this issue is a reference to a report that Dr. C. T. Wang may be invited to return to official life either as Minister of Foreign Affairs at Nanking or as chairman of the Peiping Political Council. In this connection reports have been circulated that Wang Ching-wei, in reply to the request of the Japanese Consul General in Nanking for the opening of negotiations, informed him that China would be willing to open negotiations immediately, but subject to two definite conditions:

1—That all of the Powers signatory to the Nine-Power Treaty must be informed of the agenda of the conference prior to the formal opening of the Sino-Japanese parleys and that the said Powers must be kept advised of the developments during the conference and also of any results which might be reached by the Chinese and Japanese delegates.

2—That Japan must issue an official declaration to China and the Powers signatory to the Nine-Power agreement, that Manchuria is a definite part of Chinese territory and that the so-called "puppet-show" at Changchun must be abolished and replaced by a Chinese administration acceptable to the National Government at Nanking as well as the Manchurian people.

Dr. C. T. Wang was Minister of Foreign Affairs at Nanking at the time of the Japanese intervention in Manchuria in the fall of 1931, but was attacked and injured by radical students and forced to resign from the Government because of his alleged failure to make a stronger stand against Japanese aggression. Since that time Dr. Wang has been in political retirement, interesting himself in the development of Chinese coal and iron mining properties in Honan province. If it it true that Dr. Wang is now being pressed to return to the Government for the purpose of handling the Japanese issue, there is ample precedent for this move for Dr. Wang negotiated the final settlement of the Shantung question with the Japanese, following the conclusion of the negotiations at the Washington Conference (led by Dr. Sao-ko Alfred Sze) wherein Japan agreed to surrender to Chinese control the former German interests in Shangtung which Japan had seized from Germany in 1914 at the beginning of the world war. When the Japanese intervened again in Shantung in 1918 with the motive of blocking the Nationalist advance on Peiping and a serious clash developed between the troops of Gen. Chiang Kai-shek and the Japanese at Tsinan, Dr. Wang again was called in to adjust this issue and finally succeeded in inducing the Japanese to withdraw their troops from the province. Gen. Huang Fu, present head of the Peiping Political Council, also was involved greatly to his personal embarrassment in this same Tsinan incident. He was accompanying Gen. Chiang Kai-shek on the northern expedition and according to report was captured by the Japanese and compelled to sign a statement allegedly placing the blame for the clash on the Chinese troops. The Chinese commissioner of foreign affairs in Tsinan at the time, Tsai Kung-hsi was also seized by the Japanese and executed. Gen. Huang Fu, however, succeeded in escaping

through the Japanese lines by disguising himself as a farmer.

The *Kuomin* news service on May 8 carried a report from Nanchang stating that Gen. Chiang Kai-shek had declared in the course of a speech that when the Chinese army has been unified and converted into a National Army—in fact as well as in name—"we firmly believe that we can recover our lost territories in the Northeast, revive the national spirit and make China a modern and powerful country." Preceding this significant statement, Gen. Chiang declared that remarkable progress had been achieved in the suppression of communist banditry and in the suppression of military insurrections, hence there was hope for the early amalgamation of all of China's military forces into a unified National force.

Fukien Admiral Sees Danger from Japanese in South China

Interviewed in Shanghai May 3 Admiral Li Shih-chia, member of the Fukien Provincial Government and concurrently Commander of the Mamoi Forts, when he arrived here from Foochow en route to the Capital, sounded a warning to the press that the situation in South China is fraught with grave consequences and dangers are lurking everywhere, as a result of the intense Japanese activities there. Admiral Li deplores that with the interests of the public being entirely centered upon the Japanese activities in the North, little or no attention has been paid to their intrigues in the South. He pointed out that Japan is actively though furtively preparing to encroach upon South China and it is urgent that adequate attention on the part of both the Authorities and the public in general should be directed to the situation there in order that measures may be taken in advance to cope with its developments.

Japanese Garrison Along Great Wall Strengthened

A general shifting of Japanese garrison troops along the Great Wall is in progress. The garrison forces originally stationed there have now been replaced by troops of the 7th Japanese Infantry Division. These troops are being sent up to their respective destinations along the Luan River. The River is full of Japanese transports carrying military supplies from Luanchow to Saho Chiao inside Hsifengkou.

A Tientsin message dated May 6 to the *China Times* stated that the Japanese military authorities are making preparations to penetrate into Chahar and possibly Suiyuan with a view to placing themselves in a dominating position over Inner Mongolia. The recent movements of Japanese troops along the Great Wall region and in eastern Chahar are causing much concern to the Chinese population, it was stated.

The 37th (Chahar) Division under Lieut.-General Feng Chih-an attacked the bandits under Yang Hou-siao at Chiapushih on the night of May 5. After an all-night engagement, the bandits were forced to retreat to Tashihkai, on the Suiyuan-Chahar border, where they are now sandwiched in between the Suiyuan and Chahar forces.

Sinister rumors have been fabricated by Japanese news agencies in Peiping and Tientsin to the effect that Communist elements have secretly entered eastern Chahar at the direction of General Feng Yu-hsiang, the "Christian General," and that General Sung Che-yuan, Chairman of the Chahar Provincial Government, is plotting against the Government.

Reports reaching Peiping from the various cities in the so-called "demilitarised zone" state that Japanese army officers are extremely active there, busying themselves with surveying and map-drawing of strategic points and sham war practice.

Robberies are stated to be of daily occurrence in the Luantung District. Robbers are looting shops at Shanhaikwan in broad daylight in open defiance of the police. The police are unable to do anything as they are not properly armed, while the robbers are all equipped with up-to-date firearms.

A "Manchukuo" station at Shanhaikwan is collecting a transit tax of 20 cents each from all Chinese passing through Shanhaikwan.

Japanese Land Causes Controversy at Tientsin

The controversy which started last year following the purchase by Japanese of a large tract of land west of the Japanese Concession in Tientsin has been revived as a result of the action of the Japanese authorities in despatching police to supervise the work of the men engaged in levelling the land. The Chinese affirm that the Japanese intend to use the land for an airdrome and landing field, whereas Japanese officials assert that the tract was bought by Messrs. Okura & Co. for farming development. The site of the proposed airdrome is the property of the Kuang Jen Shan Tang (a philanthrophic organization). *Kuo Min* says the incident is the result of a deal between Yang Chih-hsiang, former compradore of the Okura Company, and Hsu Shou-lin, the agent of the organization.

The Chinese authorities at Tientsin May 4 enforced strict precautions against possible disturbances at Tientsin following a bombing incident in the Japanese Concession the previous day. All business establishments are suspending business at night earlier than usual.

Outer Mongolia Prepares for War

Outer Mongolia is practically on an organized war footing, according to an interview with Pai Yun-ti, the Mongolian member of the Central Kuomintang, printed May 5 in the *Peiping Chronicle*, following upon his return from the inauguration of the Mongol Council at Pailingmiao. Pai Yun-ti declared that the Mongols, with the assistance of the Soviets, were training an efficient army and were mechanizing their forces to resist the invasion of Outer Mongolia. He instances the intensive output of troops, the building of a network of motor-roads and the introduction of conscription. He added that Outer Mongolia now possesees an air fleet of 300 fighting planes.

Pai Yun-ti, member of the C. E. C. and concurrently member of the Mongolian Local Autonomy Political Affairs Council, in a recent interview confirmed reports that Japanese engineers have been despatched to the territory of the Silingol and Ulan-Tsab Leagues to instal wireless stations. Due however to the firm opposition of the Mongolian Leagues, the Japanese were forced to desist from further work in those areas.

Soviet Expedition Studies Kamchatka Oil Reserves

The Soviet Oil Institute has sent an expedition to Kamchatka for a thorough study of the oil reserves on the Western shore of the Peninsula. Layers of the so-called tertiary age are often found in this section of the Kamchatka Peninsula.

The Soviet State Academy of History of Material Culture will organize this year new joint Soviet and American scientific expeditions. The expeditions will be assisted in their work by the American archeologist E. Hodenstock, who participated last year in the first joint expedition engaged in excavation of the ancient town Eski-Kermen in the neighborhood of Bakhchissarai in Crimea.

A report from the Soviet steamer *Kim* states that on April 25 she left New-Orleans for Leningrad with a cargo of machinery and cotton. The report emphasizes the warm welcome which the Soviet seamen met in New-Orleans.

A Coal That Is Used to Manufacture Ornaments

Gagat, a special sort of coal found in Eastern Siberia, is so dense that, instead of being used for fuel, it is being carved into ornaments, cigarette holders and the like. Three thousand tons of gagat are being mined this year, valued at two million roubles.

Soviets Now Building Stratospheric Plane of 600 M.P.H. Speed

A stratospheric airplane expected to develop a speed of 600 miles an hour at a height of 50,000 feet, is now under construction in Leningrad.

Soviet Consulate to Be Established in Kalgan

A Soviet consul arrived in Kalgan May 7. He delared that immediate steps would be taken to open a consulate in said city to promote Sino-Soviet trade.

Japanese Consul General Yokoyama Alleged to Have Distorted League's Position

The secretariat at the League of Nations May 6 charged that Mr. Yokoyama, the Japanese Consul General at Geneva, had put into Mr. Avenol's mouth in a press statement words which emanated from Mr. Yokoyama himself. Mr. Yokoyama had said he had been assured by M. Avenol that the assistance to be given China by the League would concern itself only with schools and hygienic measures. M. Avenol stated that, so far as he was aware, the League would discuss assistance for China without any reservations whatever. The activities of Dr. Ludwig Rajchman, liaison officer between the League of Nations and China, formed the background for the incident. Victor Hoo, Chinese Minister to Switzered declared Dr. Rajchman is being made a "scapegoat" by a Japan thwarted in her efforts to establish a Japanese hegemony in the Far East.

"Opposite Shore Conference" to Be Held in Formosa in June, Hongkong Japanese Consul Confirms Report

HIGHLIGHTS IN THE EVENTS OF THE WEEK:

1. *Japan is said preparing for action in South China.*
2. *Southwest Authorities calling National Defence Conference.*
3. *Fukien troops approaching "Red" Stronghold, Changting.*
4. *Sinkiang troops advancing towards Kashgar.*
5. *Nanking Envoy to Lhasa en route to Sikong.*
6. *Mongolian Council to have new office building.*
7. *Nanking observes anniversary of establishment of Nationalist Government.*

A *Reuter* report from Hongkong on May 4 states that the Japanese Consul-General there, Acino, told pressmen on said day that a conference would definitely be held between various Japanese consular officials in south China and the Formosan authorities in Formosa next month. The Japanese Consul said that the conference would have no political significance and that it was primarily for a discussion of routine matters.

A *Chen Pao* telegram from Foochow, May 3, reports that the so-called "*Opposite Shore Conference*" in Formosa will be held on June 21 and will last for three days. The important items on the agenda of the Conference will be the development of Japanese trade in South China, suppression of the anti-Japanese boycott movement in Kwangtung and Fukien, development of the Japanese fishery trade along South China coast and protection of Japan's acquired interests in the South.

The Conference will be attended by Japanese consuls at Shanghai, Foochow, Amoy, Swatow, Hongkong and Canton, the Formosan authorities, and representatives of the Japanese Overseas Affairs Ministry and the Foreign Office.

According to information from foreign sources in Shameen, says a *China Times* telegram from Hongkong on May 2, the Japanese authorities are planning to take some sort of action in South China within one or two months. It is said that as a first step the Japanese will occupy Mamoi and Amoy in Fukien and convert them into Japanese naval bases. At the same time the Japanese will raise up a demand for the repayment of debts owed Japan by the Chinese Government and insist on their immediate settlement. The question will be raised to furnish ground for putting further territorial demands on China, it is understood.

Four Japanese warships arrived at Amoy May 2, according to a *Shun Pao* telegram on May 3. The purpose of their visit is unknown.

Southwest Discussing Counter Measures

A *Chekiai* dispatch from Foochow on May 5 states that in order to cope with any possible development in the situation in South China, the Headquarters of the Southern Route Bandit-suppression Forces under command of General Chen Chi-tang has decided to call a conference of the leading military and political leaders in Kwangtung, Kwangsi and Fukien for the purpose of discussing national defense measures in these three provinces. The conference is scheduled to take place in Canton in the middle of this month. General Chiang Ting-wen, Commander-in-Chief of the Eastern Route Bandit-Suppression Forces in Fukien, has received a telegram from General Chen Chi-tang, requesting him to dispatch representatives to participate in the discusions of the conference.

According to a *Central News Agency* dispatch from Hongkong on May 2, circulated by the *Chekiai* agency, military leaders in Kwangtung and Kwangsi, in order to present an united front in facing the present national crisis, have decided to issue a circular telegram under their joint signature, reaffirming their allegiance and whole-hearted support to the National Government at Nanking. The telegram is now being drafted by Lin Yi-chung, Commissioner of Civil Affairs of Kwangtung Provincial Government and after being revised by Generals Chen Chi-tang and Li Tsung-jen, it will be made public. It is believed that the move on the part of the Southwest military leaders is prompted by rumors of lack of sufficient co-operation between Nanking and the Southwest, which they want to set at rest.

The dispatch adds that in compliance with orders from the National Government, the Provincial Government of Kwangtung and Kwangsi will be reorganized from the present committee system to that of governors in order to centralize control and increase efficiency in the administration of the two provinces. It is learned that the new system will be inaugurated on June 1 and that Lin Yun-kai and Lin Yi-chung will be appointed Governor and Deputy Governor of Kwangtung and that General Huang Shu-chu and Lai Pei-hung, as Governor and Deputy Governor of Kwangsi.

Full and unconditional support of the Central Government by the South-western military authorities is reported by *Kuo Min* on May 5 to have been epxressed by Generals Chen Chi-tang and Li Tsung-jen in a joint telegram in response to the Central Government's explanation regarding its policy in dealing with the national crisis and the alien menace to the State.

In view of the reported Japanese activities in South China, the Southwestern Political Affairs Council held an important session on May 1 for the discussion of measures to strengthen the national defense of South China, especially the naval and air defence of the cities along the coast. The session was attended by many important political and military leaders in the Southwest, including Generals Chen Chi-tang, Li Tsung-jen, and others. While information regarding the decesions reached at the session is unavailable, it is learned that after the session, the Council dispatched a telegram to General Chiang Ting-wen of Fukien for an exchange of views regarding the matter.

A military review was held at Canton on May 5 by General Chen Chi-tang participated by a force of 10,000 men representing the Training Division, infantry, artillery and cavalry units, military police, marines, and armored cars corps.

Direct Sino-Japanese Negotiation Not Impossible

With reference to press reports that settlement of the Sino-Japanese issue will be effected in two stages, namely, by the local authorities concerned and then by direct negotiation between the Chinese and Japanese Governments, a high official at Nanking said on May 3 that while no decision has yet been made by the National Government for the solution of the Sino-Japanese dispute, settlement of that part of the problem that is of an entirely local nature by the local authorities concerned is not absolutely impossible.

Moreover, he continued, if Japan is prepared to accept and recognize the fundamental principle of non-cession of Chinese territory and non-impairment of China's sovereign rights, even direct negotiation between the two countries is not impossible.

All this however, he emphasized, is merely a matter of principle; as to concete measures for the settlement of the dispute, no definite decision has yet been taken by the Central Government.

According to a special Nanking telegram to the *China Times* on May 6, the Ministry of Communications has instructed the Post Office that, hereafter, all letters and postal matters destined from Chinese of Manchuria for places south of Shanhaikwan shall be accepted for delivery on condition that such letters and postal matters shall have their "Manchukuo Stamps" erased or removed before delivery so as not to leave "a bad impression" in the minds of the addresses. This report, however, was officially denied by the Ministry in a statement on May 9.

The Legislative Yuan is reported to have submitted a series of of recommendations to the Central authorities on China's foreign policy vis-a-vis the present world situation.

The various diplomatic representatives abroad be instructed to work energetically in order to bring about concerted action by the Powers.

The Powers signatory to the Nine-Power Treaty should be called upon to "implement the provisions of the Treaty guaranteeing China's independence and territorial and administrative integrity."

Active resistance against Japanese aggression is advocated by Lou Tung-sun, member of the Foreign Relations Committee of the Legislative Yuan.

Interviewed, Mr. Lou said that the solution of the national crisis brought about by Japanese aggression is not a hopeless task, provided positive resistance against such aggression be offered by the Government.

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According to information from diplomatic sources in Nanking on May 3, the Japanese Government is now planning to demand consolidation of debts owed to Japan by China. A Japanese representative of the East Asia Industrial Company, has arrived at Nanking and has had an interview with Preisdent Wang Ching-wei regarding the matter.

In this connexion, a spokesman of the Foreign Office pointed out that the Chinese Government has decided to work out a comprehensive scheme for the consolidation of all foreign debts owed by China and that it would be impossible for the Government to consolidate the Japanese loans alone and leave others unattended to.

Dr. C. T. Wang, former Minsiter of Foreign Affairs, who visited Nanking on April 30, had a long conference that day with Wang Ching-wei, President of the Executive Yuan and concurrently Minister of Foreign Affairs. It is learned that the two leaders discussed the diplomatic problems in the North China and Sino-Foreeign relations generally, according to *Chekiai* agency.

According to a Shanghai dispatch by the *Nippon Dempo* service published in the *Japan Advertiser* on May 1, Wang Ching-wei, President of the Executive Yuan, has decided to resign from his concurrent post of Foreign Minister and is urging Dr. C. T. Wang to asume the portfolio through Chu Min-yi, Secretary-General of the Executive Yuan.

The real reason of Mr. Wang's contemplated resignation is generally believed to be due to complications caused in the political position by the recent announcement of Japan's China policy. Mr. Wang frequently has been criticized over his attitude toward Japan and that more recently his position has become increasingly awkward in dealing with the Legislative Yuan, due to the sensational announcement made by the Tokyo Foreign Office.

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A telegram has been received by President Wang Ching-wei from General Chiang Kai-shek, President of the Military Affairs Commission, inviting him to make another trip to Kiangsi for a conference on the financial situation and foreign relations of the Government. Dr. H. H. Kung, Minister of Finance, who is now at Kuling, will participate in the disussions. It is understood that President Wang will proceed to Nanchang sometime this week. However this report has been denied by Dr. Chu Min-yi, Secretary-General of the Executive Yuan.

The association of University and Collage Presidents of China, has issued the following manifesto on the April 17 statement of the Tokyo Foreign Office spokesman:

"In her statement of April 17th, Japan shows in stark reality her intention to conquer China. This statement is an indication of the imminence of the greatest crisis confronting the Far East, which will not only endanger the existence of China but will also affect the future of the world. In proclaiming her special position, imperialistic mission and militant opposition to the co-operation between China and the League of Nations, Japan ignores the fact that China is an independent country. Nothing can demonstrate more clearly her disregard for China's sovereignty and contempt for the Nine-Power Treaty.

"It is our ardent hope that the Powers who are members of the League of Nations and signatories to the Nine-Power Treaty will not fail to take effective stops to oppose any measures calculated to violate the provisions of the aforesaid treaties so that peace in the Far East may be maintained."

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The Tsinan Incident which occurred on May 3 in 1928, when Tsinan was occupied by the Japanese and the advance of the Nationalist Army on North China was checked for several months was observed by both the authorities and the public. All flags in Tsinan were hoisted at half mast and all amusements suspended for the day. A memorial meeting was also held by the Shantung Party Headquarters in commemoration of those who fell in the fighting around Tsinan. Similar meetings were held in many other parts of China.

A *Rengo* dispatch from Tokyo on May 5 states according to figures compiled by the Foreign Office, about 205 Chinese have entered Japanese institutions of higher learning since January this year, thus bringing their total number to almost 1,500. There were approximately 3,000 Chinese enrolled in Japanese schools in 1931. Chinese enrollnent dropped to about 750 soon after the Shanghai Incident, the survey shows.

Government Forces Approaching "Red" City, Changting] in Fukien

The Government troops are rapidly approaching Changting, the strongest Red fortified city in western Fukien, according to a Foochow report May 5. General Wei Li-huang, field commander of the Government troops at the front, is now at Lungyen, directing operations in person. The Communists in Northern Fukien are gradually withdrawing westward in the direction of Juikin, "Red" capital in Kiangsi. Chu Teh, the Red leader, is taking command of the anti-Government military operations.

As a result of the strong pressure exerted by the Government forces under General Chiang Ting-wen, the Reds at Yungan evacuated the city on April 25 and are falling back on Chingliu with two full Government Divisions in hot pursuit of them.

Ikow and Mochouling, strategic points in Taining district, north-western Fukien, have been occupied by the Government 10th Division. The 19th and 34th "Red" divisions were completely routed.

The "Reds" invading Shahsien, 40 miles south-west of Yenping in northern Fukien, have been repulsed by the 52nd and 80th Government Divisions. All traces of the "Red" outlaws at Shahsien have been completely removed, says *Kuo Min* May 3.

The capture of Chiuhsien, 15 miles north of Shanghang in south-western Fukien, is now officially confirmed.

The Foochow Provisional Headquarters of the President of the Military Affairs Commission was officially abolished on April 30.

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The Communists in southern Kiangsi have started a general counter-attack against the Government troops at Chunmenglin from four different directions. Desperate fighting is now in progress in that region between the two forces according to a Hongkong telegram April 29.

General Chiang Kai-shek, President of the military Affairs Commission, has remitted a cash reward of $10,000 to the Kwangtung troops who recently captured Chunmenling, the most strategic "Red" stronghold in southern Kiangsi.

A Rehabilitation Committee for the Chunmenling Area has been appointed by General Li Yang-ching, Field-Commander of the 2nd Column, whose units are now garrisoning the pass.

Government troops under General Li Ying-ching are storming the city of Hweichang, "Red" strong 33 miles north of Chunmenling in Southern Kiangsi, according to a military despatch from Canton May 4. After an all day engagement, the defence works of the "Reds" outside the city have been completely demolished by the Kwangtung units.

General Chen Chi-tang has despatched two aviation squadrons to Meihsien, eastern Kwangtung, and one squadron to Shiuchow, northern Kwangtung, to assist the Kwangtung troops in eradicating the "Red" bandits in southern Kiangsi.

A big consignment of military supplies has also been conveyed to the Headquarters of the 3rd Army at Meihsien from Canton.

More than 1,000 blockhouses have been completed by the District Governments of Honan during the past two months. These fortifications are being garrisoned by militia units against the invasions of bandits.

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The Communists along the Hunan-Hupeh border recently invaded Yangloussu, a station on the Hupeh-Hunan section of the Canton-Hankow Railway, and occupied Chienshan. They have been repulsed by a joint attack by the Hunan peace preservation units and the "Anti-Red" Volunteers. The outlaws are now retreating northwards to Puchi and Tungcheng, southern Hupeh, leaving behind scores of wounded and killed.

Escaping to southern Hupeh from Siushih, northwestern Kiangsi, the "Reds" under Kao Yung-sheng recently established contact with the remnant outlaws at Patou Shan (mountain) and Huangpao Shan. They were, however, repulsed by the 33rd Division and forced to retreat northwards to Kweikow.

Bandits in Yangloussu, along the Hupeh-Hunan section of the Canton-Hankow Railway have been driven off by the railway guards. Traffic on the Line is operating normally.

According to information from military sources, the Szechuen provincial troops failed to make any headway in their new offensive against the Red stronghold at Tungkiang. Palintsai, a strategic point in the vicinity of Tungkiang, is still in the hands of the Communists in spite of the repeated onslaughts of the provincial forces.

The Communists in northern Szechuen are still holding Tungkiang, although they have already been surrounded by the provincial forces. The Reds recently recaptured Wanchengtsai, a town in the vicinity of Tungkiang which fell into the hands of the provincial forces weeks ago.

Sinkiang Provincial Troops Advancing Toward Kashgar

Reporting on the Sinkiang situation in a telegram to the Central authorities May 5, General Sheng Shih-tsai, Defence Commissioner for the Sinkiang border, states that after liquidating the uprising in northern Sinkiang caused by the insurgents under General Ma Chung-ying, he is leading his troops to southern Sinkiang to quell the rebellion there. He has now occupied Aksu and Wushih and is completing preparations for an attack on the insurgent troops at Kashgar, Hotien and Soche, south-western Sinkiang.

To facilitate the early extermination of the rebels, General Sheng asks for a remittance of $2,000,000 from the Central Government for military expenses.

Nanking Envoy En Route to Lhassa

The Government received a telegram on May 5 from General Huang Mo-sung, special envoy to Tibet, who is now in Szechuen, reporting that he is leaving for Sikong May 7 on his way to Tibet. General Huang says that some of the Szechuen leaders are in favor of welcoming the Panchen Lama to Szechuen before his return to Tibet so as to cultivate the friendship of the latter towards Szechuen. General Huang arrived at Chengtu on April 27 by airplane.

A *Shun Pao* despatch from Peiping on May 6 states that according to information from Tibetan circles, the Panchen Lama is encountering much difficulty in his plan of returning to Tibet. It is pointed out that the Panchen Lama has been absent from Tibet for more than ten years, during which all administrative and religious powers have been transferred into the hands of the Dalai's followers. Although the Dalai is dead it does not much affect the position of the Dalai's followers in Tibet. Therefore, even if the Panchen Lama returns to Tibet he can be nothing but a figurehead to the Dalai's followers and he could never get real power back from them.

Another difficulty lies in the oppositoon manifested by the Tibetan authorities to certain followers of the Panchen Lama and they have resolved not to admit them into Tibet.

Anchin Hutuketu, personal emissary of the Panchen Lama who recently returned from Tibet, is shortly leaving Nanking for Nanchang, provincial capital of Kiangsi, to report to General Chiang Kai-shek on the latest developments in Tibet. He is the bearer of an autograph letter of the late Dalai Lama written before his death, as well as a number of precious gifts, to General Chiang.

Mongolian Council to Have New Office Building

The Mongolian Autonomy Political Affairs Council has completed plans for the erection of a new Office Building at Pailingmiao, it is announced by Pai Yun-ti, member of the Council, according to a *Chekiai* telegram from Peiping May 5. Mr. Pai states that a spacious site for the building has already been selected and as soon as surveys are completed, construction work will begin. Wu Hao-ling, another member of the Council, has been appointed concurrently as Head of the Counsellor Department of the Council, while Prince Teh made Chief Secretary of the Council.

Pailingmiao is now placed under military protection and a thousand Mongolian troops are now guarding that place. About 700 of these troops are commanded by Prince Teh himself.

Interviewed at Tsinan, May 5, Ke-Hsing-e, member of the Mongolian Council, said that in order to develop the vast territory in Mongolia, the Council has decided to improve the system of communications and the agricultural and pastural methods of the Mongolian population. Highways will be constructed to connect Mongolia with Chinghai (Kokonor) and Sinkiang. Measures for the fostering of mass education in Mongolia are also being devised by the Council, Mr. Ke said.

Chang-Chia Hutuketu, the "Living Buddha" of Chinghai (Kokonor), left Peiping for Tatung, northern Shansi, May 4 by special train en route to Watanhsan, to see General Yen Hsi-shan before continuing his inspection tour of Mongolia.

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General Huang Shao-hsiung, Minister of Interior, who is now on a tour of inspection of civil administration in the Northern provinces, arrived at Peiping from Lanchow, Capital of Kansu, by air May 15. General Huang declared that almost immediately after his arrival at Lanchow, he became ill and consequently he was not able to inspect the province, as he originally planned. He further stated that he is now suffering from foot trouble and intends to go to hospital for treatment. General Huang declined to announce his future plans.

To strengthen the maintenance of peace and order in the province, General Yu Hsueh-chung, Chairman of Hopei, is planning to establish a Hopei Provincial Peace Preservation Bureau to control all the militia units and police corps throughout the province and the peace preservation units in the "demilitarized" zone.

All units of the 24th Independent Cavalry Brigade having been transferred to their new garrison post in Hsuchang, central Honan, General Yu Shih-ming left Peiping for the south May 5. The 118th Brigade under Lieut.-General Liu Yueh-ting is being transported eastwards from Paotow, western Suiyuan, to Chengchow, central Honan. Six train-loads of the 117th Brigade under Lieut.-General Lu Feng-nien have reached Wangtu, western Hopei. Both Brigades were formerly of the rebel 41st Army under General Sun Tien-ying.

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General Tang Yu-lin, former Chairman of the Jehol Provincial Government, and General Sun Tien-ying, former Commander of the 41st Army, were appointed high military advisors to the Peiping Branch of the Military Affairs Commission at a meeting of the Branch Commission May 2, under the chairmanship of General Ho Ying-chin.

The voluntary retirement of Generals Tang and Sun and the transfer of their troops to Generals Sung Che-yuan and Fu Tso-i, respectively Chairman of the Charhar and Suiyuan Provincial Governments, for disposal and reorganization, it is said, have been highly appreciated by the local authorities.

General Sung Che-yuan, Chairman of the Charhar Provincial Government, called on General Ho Ying-chin, Acting Chairman of the Peiping Branch of the Military

Affairs Commission, May 1 to report on the situation in eastern Chahar.

Bandits under Yang Hou-siao after being repulsed by the Mongolian troops under Prince Teh, Vice-President of the Silingol League, at Chiapaoshih (Monastery), have retreatsd to Taching Shan (mountain) where they are being surrounded by the Chahar troops.

It is reliably learned that General Huang Fu has withdrawn his resignation. General Huang will return to the North sometime this month.

The Hopei provincial authorities have issued another order prohibiting further Chinese emigration into Manchuria. The public safety bureaux in different distrctis have been instructed to take every precaution against such emigration in view of the recent secret departure of a large number of Chinese coolies for Jehol at the inducement of the Japanese. According to latest estimates no less than 20,000 Chinese coolies have already gone to Manchuria by way of Dairen and Kupeikou.

Three Red Spear organizations have recently been discovered in southern Hopei, according to reports received by the Hopei Provincial Government. It is reported that these Red Spears have received support from certain alien quarters and they have been entrusted with the work of disturbing peace and order in Hopei.

Nanking Observes Anniversary of Establishment of Nationalist Regime

A glowing tribute to the spirit of non-compromise and perseverance of the late Party Leader (Dr. Sun Yat-sen) in his struggle for the consumation of the National Revolution, was paid by President Wang Ching-wei at the annual memorial service held at Central Party Headquarters May 5 in commemoration of the 13th Anniversary of the establishment of the Revolutionary Government at Canton. Mr. Wang expressed the hope that this spirit would permeate all Party comrades in their present struggle for the salvation of the national crisis.

Chen Li-fu, member of the C. E. C., in a speech delivered at the weekly memorial service at the Central Party Headquarters made the following philosophical observation on the meaning of "Life":

"Since Material and Spirit are the embodiment of Life, Space and Time constitute the use of Life, therefore, the embodiment of Life plus use of Life, is Life itself."

A general house and street clearning campaign was carried out in Nanking on May 1 under the auspices of the Nanking Association for the Promotion of the New Life Movement. At the mass meeting held at the Public Recreation Ground in the morning of the day, over 30,000 people attended and listened to addresses on the virtue of Cleanliness.

General Lu Ti-ping, Chairman of the Chekiang Provincial Government, has submitted his resignation to the Executive Yuan for the third time in recent months, pleading ill-health. The matter is now under the consideration of the Central authorities.

Shantung Magistrate Becomes "Mud" Carrier

According to a *China Times* dispatch from Tsinan on May 4, because the magistrate of Tungao was found guilty of "squeezing," General Han Fu-chu, Chairman of Shantung, ordered him to come to Tsinan and made him a coolie on road construction work at the East Gate of the city. His duty is to carry mud to the East Gate from far away places and while walking he has to carry a piece of cloth on which is written "I am the magistrate of Tungao." In addition to hard labour, the magistrate has been ordered to pay $18,990 as fines.

The report that Liu Kwei-tang, the leader of the band of mutineers who overran several provinces, has fled to the North on board a waiting foreign vessel at Haichow has been confirmed. The foreign vessel in question is said to be carrying a large quantity of military supplies for the replenishment of Liu's men, but it arrived at Haichow too late. Liu is said to be coming to Tientsin shortly and then will proceed to join the Manchukuo Government.

C. H. H.

China Must Help Herself in Solving Her Present National Crisis, Advise Chinese Papers

CITING the saying that god helps those who help themselves, the *Shun Pao* in its leading article on May 7 urges that China, in seeking a solution of her present national orisis, must neither depend upon the League of Nations nor the foreign Powers, but upon her own efforts. The articles says:

"The League of Nation has had very little influence in the Far East, as has been proved by its past record, especially is this so since Japan withdrew from the League. Therefore, in settling the Sino-Japanese issue, the League is no longer dependable. The League itself is an empty structure. Its decisions will be to no avail unless they are backed up by the Powers. The Powers are now bending their energy on struggling against each other for foreign markets and no efforts can be spared to make empty talks about treaty obligations. In their representations made to Japan, both the United States and Great Britain viewed the situation from the standpoint of their own interests. The usual mention of treaty obligations was conspicuously lacking. This is a fact which should not be overlooked.

"As to Japanese ambitions they cannot be checked by anything except by iron and blood. The recent activities of the Japanese troops in the North indicate that the Japanese military authorities are pushing forward the second stage of their Continental Policy. In South China the Japanese are openly talking about the so-called 'Formosan Period.' These aggressive activities cannot be stopped by diplomatic representations. It is useless to talk about international assistance. Nothing can be successful unless it is backed up by military force. Therefore, instead of hoping that the League of Nations or the Powers will do something against Japan we should rely on ourselves for our salvation. God helps the one who helps himself."

Some Plain Speaking to Japan

Commenting upon the recent Japanese statements under the heading of "Some plain speaking to Japan," the *Ta Kung Pao* at Tientsin, on May 1 pointed:

"It must be admitted that there is one point in the recent Japanese statements of policy which should meet with the sympathy and support of the Chinese people so far as the question of principle is concerned, and that is that Far Eastern Affairs should be settled by the Asiatics themselves. Maliciously interpreted, this statement means that Japan seeks to monopolize the Far East. However, if we give it a sympathetic interpretation it would mean that she desires the preservation of the Far East and the co-operation of the various yellow peoples in this part of the world. But if Japan wants China to accept the latter interpretation, she must first of all demonstrate that she has a definite and firm policy regardless of the attitude of the United States and various European Powers. To speak more concretrly, Japan must of her own accord respect the territorial and administrative integrity and independence of China."

Continning, the paper says that while Japan is dissatisfied with China because China always turns to the West for assistance instead of approaching her neighbour, however, it must be pointed out that the tempo of Japanese aggression in China has alway been determined by the international situation in Europe and America. For this reason the conclusion is inescapable that but for what little American and European influence there is in China and the Far East, Japan would not hesitate to annex the whole of China. This is no harsh judgment but can be easily proved by the events of the last 20 yeeras.

"In short, the events of the last two weeks have conclusively betrayed the profession of Japan that she is desirous of

the co-operation of China in the maintenance of peace and order in the Far East. So long as Japan continues to practice the diplomacy of 20 years ago, China cannot regard her as a friend. If Japan is really interested in excluding the interference of the west in Far Eastern affairs, she must first respect the territorial and administrative integrity of China by restoring Manchuria to Chinese sovereignty. Co-operation between the two countries must be based on the principle of equality instead of the subordination of the one to the other."

Tokyo Retraction Does Not Close April 17 Incident

A powerful appeal for national unity and peace is made by the *Chung Hua Jih Pao* in an editorial on May 5 commenting on Tokyo's retraction of its sensational statement of April 17th on Japan's China policy. The paper points out that while the retraction by Tokyo, according to press reports, has been considered a satisfactory close of the incident in certain quarters, notably Great Britain, this view however is unwarranted for three reasons.

Firstly, the Japanese statement of April 17th was merely a *ballon d'essai* to ascertain international reactions towards the Far Eastern situation, and as such it has successfully achieved its purpose.

Secondly, the result having proved unmistakably that world opposition is unanimously against Japan's claim to hegemony over Asia, the Japanese will doubtless in the future deem it more profitable to continue their aggressiions against China by "undeclared warfare," rather than to issue any further statements on their China policy.

Thirdly, realizing the magnitude of international opposition to her domination over China, Japan will probably start secret negotiations with the Powers concerned for partitioning "the wealth of the Far Eats" so as to appease international opposition to her aggressive designs in China.

Such being the situation, the journal continues, it devloves upon every Chinese citizen to be prepared for any emergencies that may occur in the not distant future.

French Attitude will Not Affect China's Position

Writing on April 28 under the heading of "What is the French attitude" towards Japan's recent statements of policy, the Peiping *world Daily News* comments:

"From the very beginning France has assumed an ambiguous attitude towards the Japanese declaration of policy. However, the reason for this is not difficult to seek. France is afraid of offending Japan because she wants to preserve her commercial interests in China and also her colonial empire in Indo-China. Besides, there are some other reasons why France dares not openly opposes the Japanese more. First, there is lack of unity among the Powers as to what action they should adopt to check the aggression of Japan. Secondly, France is too much preoccupied with tha European situation to be able to take a close interest in Far Eastern developments, especially as Germany is busy rearming and talking about a war of revenge. Thirdly and lastly, the domestic situation in France is far from settled. However the international situation is always changing and if the United States and Great Britain can really co-operate with each other against Japan, it is not altogether improbable that France will join them. We must remember that each power has its own interests to consider and that we must depend upon ourselves in the present crisis instead of looking to others for help. Hence, we should not feel disappointed at the non-committal attitude of France in the present Far Eastern crisis."

"Le Temps," in summing up the reply of the French Government to Japan's note on her China policy on May 5, pointed out that the reply indicated clearly that in case Japan threatens to create trouble in China, France would not admit any procedure other than those provided in the Nine Power Treaty, said a *Chekiai* message from Paris May 5. The paper further pointed out that as Japan's present internal financial, economic and social conditions are so fraught with difficulties, it is doubtful whether she is in a position to throw herself deliberately into any headlong adventure.

Paris papers gave considerable prominence on May 4 to the French Minister of Foreign Affairs, M. L. Barthou's reply to the Japanese Government's note on its policy in China. The reply reminds Japan courteously but firmly of her obligations under the Nine Power Treaty, which requires its signatories to respect China's territorial and administrative integrity. Judging from the firm tone of the reply, a *Chekiai* telegram from Paris on May 4 says, the French Government has apparently no intention to act independently in the Far East or to depart from her present policy.

Reflections on China's National Humiliation Day

May 7, the National Humiliation Day, the 19th anniversary of the presentation of the notorious 21 Demands by Japan to Yuan Shih-kai, the Chinese press dwelt upon the significance of events then and now. An analogy is drawn between the 21 Demands and the present occupation of Manchuria by the Japanese.

The *Chung Hua Jih Pao* points out that whereas, in 1915, Japan took advantage of the World War to present the 21 Demands to Yuan Shih-kai, she is now taking advantage of the general World economic depression and unrest to establish a puppet state in our North-eastern provinces.

Aggression is the traditional policy of Japan vis-a-vis China, the journal observes, no matter who is the head of the Japanese Government. It was aggression that led Japan to wage war against China in 1894 and present the 21 Demands in 1915, and it was again aggression that prompted her to precipitate the Manchurian incident in 1931.

This fact, the journal emphasizes, must be taken into consideration in devising measures for the solution of the national emergency.

The *Chen Pao* observes that though the pre-occupation of the World Powers and the monarchical ambitions of Yuan Shih-kai were important factors that prompted the presentation of the Japanese 21 Demands in 1915, the chief cause must be attributed to the failure of the Chinese to reconstruct the country and revive the national spirit after the Sino-Japanese War of 1894.

The *Chen Pao* urges that active efforts, instead of high-sounding talk, must be made to reconstruct the nation and prepare ourselves to ward off foreign aggression and overcome the national crisis.

Signficance of the May 4th Movement

Commenting upon the significance of the May 4th Movement, the Peiping *World Daily News* points out that the May 4th Movement marked the beginning of the movement for the emancipation of the Chinese people.

"Although the Movement was started as a protest against the decision of the Paris Peace Conference in awarding Shantung to Japan and expressed itself in political action culminating in the assault of three notorious pro-Japanese Chinese officials, it later developed into a general movement against all forms of imperialism and also extended its scope to Chinese culture. The Nationalist Movement of the Kuomintang since 1926, when the anti-North expedition was launched, is nothing but a prolongation of the movement. Hence, the May 4 Movement occupies an important chapter in the history of the Chinese Nationalist Movement."

C. H. H.

Nelson Johnson, American Minister, Makes Brief Visit to Shanghai

Nelson Johnson, the American Minister, came down from Nanking to Shanghai Sunday, May 6, but returned the same day. At Nanking in an interview he stated that during his recent visit to General Chiang Kai-shek at Nanchang he merely discussed such innocuous matters as the New Life Movement. His visit, he said, was in the nature of an observation tour. Questioned regarding the Far Eastern situation, the Minister said that he had no personal opinion to express on the subject, the official views of the U. S. Government on Japanese declaration of April 17 having already been issued May 1.

Professor James A. Rogers, American silver expert, after meeting Dr. H. H. Kung General Chiang Kai-shek and Nelson Johnson, American Minister, at Nanchang end of last week, proceeded to Hankow and later to Hongkong by plane. At Hongkong he conferred with a group of bankers who entertained him at tiffin at the Hongkong Hotel May 7.

S. M. R. to Remain as Pivot of Manchurian Development

A BASIC agreement was reached at a conference held in Tokyo April 26 between War Minister General Hayashi and Overseas Minister Nagai that the South Manchuria Railway Co. shall be the controlling agent of Japan's economic activities in Manchuria, and that the mutual prosperity of Manchukuo and Japan shall be promoted through the encouragement of Japanese investments. The *Osaka Mainichi* says the report of the agreement between the two Ministers on the basic policy in Manchuria comes as a pleasant surprise to Japanese business circles, which had been more or less apprehensive of the Kwantung Army's strong insistence on virtually disorganizing the South Manchuria Railway Co. There is thus a vast discrepancy between what is reported as the plan of the Kwantung Army and the joint view of the War and Overseas Ministers.

The main points agreed on were: (1) Regarding reorganization of the S.M.R., anything like disorganization, as often reported, shall never be attempted, but certain necessary readjustments will be effected in the internal organization, as well as in the scale of the business enterprises. The S.M.R. will conduct the main S.M.R. line and will in addition control the national railways of Manchukuo and North Chosen which have been consigned to it. (2) Concerning unification of the authority conducting the S.M.R. it was proposed to establish a control council in the Kwantung Government, which in turn is responsible to the Overseas Office in Tokyo. On this point, however, Mr. Nagai wished to have time for further careful consideration. (3) With reference to the proposed transfer of the authority over the railway zone from the S.M.R. to the government, sufficient time shall be allowed for further consideration. (4) As regards the development of important industries, Japanese investments shall be encouraged, and enterprises shall be started with the object of promoting the mutual interest and benefit of Japan and Manchukuo.

Dr. S. Washio, writing in the *Japan Advertiser* May 1, regarding the announcement that the two Ministries have agreed on the S.M.R. central principle, says—"No such affirmation is needed unless it means that the dissolution of the S.M.R. proposed in the plan has been abandoned. Practically it means that the separation of coal, iron and other businesses into semi-independent undertakings shall proceed gradually step by step. Further it is surmised that the idea of making the Kwantung commander the sole controlling authority of the reorganized S.M.R. independent from the interference of the Cabinet is also abandoned and the Ministry of Overseas Affairs is to remain as at present the highest controlling authority. But this concession on the part of the army may be nothing more than a matter of formality. On the ground that the controlling authority of the Kwantung commander will be strengthened and as long as he exercises his power judiciously and the army's prestige back of him at home is strong, this formal concession will not matter much in practice. But it serves the purpose of easing the jealousy of capitalist interests."

The new railway line that has recently been completed by the Manchukuo Railway Construction Bureau, connecting Koupeiyingtsu, Chaoyang and Lingyuan, was opened for traffic on May 1.

Japanese Investments in Manchukuo Reach Yen 440,000,000

Japanese investments in various enterprises in Manchuria during the past year totaled Yen 440,000,000, according to a survey by the Bank of Korea.

Belated News of Changchun Bombing Plot

Lifting a ban on publication issued in the middle of January, the police in Changchun May 2 disclosed the arrest of 13 Chinese on charges of having plotted against the peace and order of the state. The men, headed by Kao Cheng-chang, 32 years old, were captured by police in Harbin, Mukden, Hsinking and Dairen after the authorities had learned that they were planning to bomb various public buildings in said cities on the occasion of the enthronement of Pu Yi March 1. Police said that large quantities of explosives were found in a house at Mutanchiang in Kirin province, where, the authorities charge, the alleged plotters had their headquarters. The men carried three kerosene tins, containing 50 packages of high explosives which were disguised as soap and they were instructed to use them for wrecking many important buildings in the chief cities in Manchuria. Leader Kao Ching-chang, although disguised as a coolie, was caught by the Japanese Gendarmerie in Harbin, during the examination of suspicious characters in the streets. His confessions led to the seizure of the explosives hidden in Mutankiang, while his subordinates were rounded up not long after, in Harbin and other three cities.

Wholesale "Planting" of Japanese Farmers in Manchuria

The special service corps of the Kwantung Garrison, according to the *Osaka Mainichi*, has mapped out a plan to enable about a million Japanese families to emigrate to Manchuria by establishing an immigration company with a capital of Yen 20,000,000. At present the special service corps is encouraging the emigration of Japanese farmers, having obtained about 2,450,000 acres of land in the neighborhood of Harbin, and other extensive tracts of land in the regions along the Hsinking-Tumen railway in the northeastern part of Kirin province, and along the Chichihar-Peianchen railway in North Manchuria for the benefit of Japanese emigrant farmers, and a fund of Yen 5,000,000 from the S.M.R. Company. The new immigration company will be under the joint management of Japan and Manchukuo. Manchukuo will undertake to supply land for cultivation, and Japan will send the emigrants and bear the expenses. The Overseas Office is to make an outlay, from the fiscal year 1935-36, to subsidize the emigrants at the rate of about Yen 4,000 per family.

Kirin Town Recaptured from Bandit Army

Hsinlunchen, a town in Yenshouhsien, Kirin Province, which had fallen into the hands of a body of 700 bandits on the night of April 30 was recaptured early the next morning by 150 men of the Kirin Army, after a battle lasting for many hours. The bandits fled towards the walled town of Yenshou, leaving over a 100 killed behind them.

Bandits in Manchukuo Loot Town, Burn 30 Houses

Manchurian bandits plundered the town of Tahuangkuo, two miles south of Tungchingcheng, early in the morning of April 27 and fled after killing one Japanese, seriously wounding his wife and burning more than 30 houses. About the same hour another group of 200 brigands attacked Japanese army headquarters near Ningan, Kirin Province, but were repulsed after a sharp engagement. Sergeant Ueda was seriously wounded.

Bandits Derail C.E.R. Freight Train

Another outrage by bandits was perpetrated on the Chinese Eastern Railway May 6. This incident occurred on the Western section 77 miles from Harbin. The usual method was employed by the outlaws, who pulled up a section of the track 13 miles east of Imienpo, with the result that a freight train speeding towards Pogranitchnaya was derailed and wrecked. The bandits then pillaged the train and decamped with their booty.

Provincial System in Manchukuo Abolished

The Manchukuo Government abolished the provincial system in Manchuria on May 1. Manchuria and Jehol have now been divided into twenty-five "taos" or administrative districts, each under the control of a governor. The conscription system was also adopted on May 1. Under the new system each hsien has to send 500 men between the ages of 18 and 30 for military training.

A fire broke out in the airplane-sheds on the outskirts of Changchun at 3.30 p.m. April 23. Before the blaze was extinguished, damage estimated at about Yen 30,000 was caused.

May Day Demonstrations in Japan Pass Without Incident

The May Day demonstration parade, one of the biggest annual demonstration of workers and peasants in Japan, took place in various parts of the Island Empire May 1. The demonstrations were conducted in an orderly manner.

Japanese Police Watch "Rightist" Meeting

In Tokyo, as in the case of past several years, the mass meetings and demonstration parades were held in two distinctly different camps. The one was organized by the right labor unions led by the Japan General Federation of Labor, while the other was participated by the leftist organizations. While the rightists meeting was conspicuous by the absence of any radical and extramist slogans and speeches, the leaders being content with demanding the building up of healthy labor unions, the leftist mass meeting and parade were marked by fiery speeches and shouting of violent slogans. Thanks to the strict precautions taken by the Metropolitan Police Board for the maintenance of peace and order of the capital, no untoward event occurred during the demonstrations by labor unions. *Rengo* commented that it was conspicuously significant that the Metropolitan Police Board watched over the rightist meeting more than over the leftist,—an interesting sign of the transition of the times.

Complete extermination of all forms of terroristic acts of whatever political coloring was stressed by Mr. Matsumoto, Chief of the Police Department of the Home Office in Tokyo, May 5 on the occasion of the second day of the gubernatorial conference. Supplementing Mr. Matsumoto's remarks, Home Minister Baron Yamamoto also urged the governors to exercise the strictest control on all acts of terrorism.

"Fascist" elements in high Japanese political circles were dealt a serious blow in the appointment of Baron Kitokuro Ikki as president of the Privy Council, observers declared in Tokyo May 4. Baron Ikki was invested in his new post May 3 soon after the Emperor had accepted the resignation of Baron Yuzaburo Kura-tomi, who withdrew on account of ill health.

N. Y. K. to Pay First Dividend in Five Years

For the first time in five years, the Nippon Yusen Kaisha, one of the largest shipping companies in Japan, has decided to declare a dividend this year. It will probably be fixed at five percent.

"Pocket" Torpedo Boats to Be Refitted

Work was begun May 5 at the Maizuru Naval Yard to refit the torpedo-boats *Chidori* and *Manazuru*, sister ships of the ill-fated *Tomozuru* that capsized early in March with a heavy loss of life. The three torpedo boats, each displacing a little over 500 tons. were built, it is said, to fill the gap in small offensive craft caused by the limitations on submarines imposed by the London Naval treaty.

Noted Japanese Painter's Suicide

Following his mysterious dippearance from his home in Tokyo on April 26, Tokuro Katada, 45 year-old Japanese painter of fame and formerly a member of the examination committee of the Imperial Arts Exhibition, was found dead in the back yard of the Nishihonganji temple in Nagoya on April 28, an evident suicide.

A trial May 4 of the wireless telephone communication between New York and Tokyo by Japanese engineers in the Communications Department, on both ends, proved to be a success. It is proposed in due course to install a direct telephone service for the public between the two countries.

Chinese Army Officers Arrested on Espionage Charge in Tokyo

Two Chinese army officers were arrested in Tokyo recently for possessing secret publications of the War and General Staff Offices which, it is said, they had purchased from a Japanese book store. The proprietors of the store, accused of falsifying applications from Japanese army officers for the purchase of the books, were also placed under arrest. Authorities of the foreign section of the Tokyo Police Board claim (according to the *Japan Advertiser*) that the Chinese officers, Colonel Chang Ching-lun and Lieutenant-Colonel Wu Chung-ting, were sent to Tokyo for espionage purposes by the Nanking Government. Both are graduates of the Japanese Infantry School. The two Chinese officers arrived in Tokyo with their families several years ago, assigned, the Japanese authorities claim, to military spy work.

Ministry of Industry to Develop Fisheries

An ambitious four-year plan for the development of the Chinese fishery industry has been mapped out by the Ministry of Industries. The plan provides for the construction of two large fishery harbors, one at the mouth of the Yangtsze near Tsungming islands and one at the Stone Island in the south-east of Shantung; establishment of fishery markets at the various fish producing centers along coastal provinces, construction of preserved fishery factories, establishment of a Central Aquatic Products Experiment Station and of fishery administration bureaus. The plan will be carried out in four stages and its realization will necessitate a total sum of $5,061,280.

Preparations for the establishment of the Central Steel Works are making headway. Under the orders of the Executive Yuan, a joint committee composed of delegates from the Ministries of Finance, War and Industries has been formed to take charge of the preparations. After having met several times, the Committee has decided to establish the Works at Ma-An-Shan in Tangtu, Anhwei, and to commission Dr. Huang Chin-tao, Director of Mining Department of the Ministry of Industries, to go to the United States to study plans of organization of such works. It is understood that after Dr. Huang's return from his trip, measures for the establishment of the Works will be carried out.

Hunan Province Extends Road System

Interviewed by the *Chekiai* correspondent at Nanchang May 4, the Commissioner of Reconstruction of the Kiangsi Provincial Government, who had just returned to Nanchang from a trip of inspection to the Kiangsi-Hunan border, declared that up to the present a total length of 1,300 miles of new roads has been completed in Hunan since 1932 and during the past three months, 110 miles more had been added to the highways in Kiangsi.

Inter-Provincial Long-Distance Telephones Lines to Be Installed

The Ministry of Communications has completed plans for the installation of inter-provincial long-distance telephones in nine Central and Northern provinces and construction work will soon be started. The nine provinces concerned include Kiangsu, Chekiang, Anhwei, Kiangsi, Hupeh, Honan, Hopei, Shantung and Shansi. To finance the execution of this ambitious project, the Communications Ministry has secured a loan of $200,000 from the British Boxer Indemnity Refunds Administration.

Yushan-Pinhsiang Railway Construction Proceeds

Construction of the new railway linking up Chekiang with Hunan by way of Kiangsi is now under way. The entire line is expected to be completed in two years.

Construction work on the road-beds of the Hwashan-Hofei section of the Huaiman Railway (south of the Huai River) has been completed under the direction of the National Reconstruction Commission. This will be followed by construction of bridges and tunnels and the laying of rails. The first consignment of 6,500 pieces of wooden ties has been shipped to Hwashan. The second shipment of 165,000 ties is on the way from the United States. Large quantities of rails are also beinfi shipped to China.

The Hopei Provincial Bank has remitted a sum of $300,000 for the repair of the dykes of the Yellow River in southern Hopei.

In connection with the charges made by the Japanese press that the Chinese Government has recently concluded a huge loan with the United States and Great Britain and that the recent visit of Nelson T. Johnson, the American Minister, to Kuling was to discuss with General Chiang Kai-shek the details of a $100,000,000 U. S. loan to China for reconstruction, a spokesman of the Foreign Office April 30 made a formal denial of such reports.

A new 1,000-watt radio station was formally inaugurated at an impressive ceremony held at the Chung-Shan hall in Changsha May 5. Reporting on its construction, Yu Chi-chuan, Hunan Provincial Commissioner of Reconstruction, who presided at the function, said that a sum of $100,000 has been expended on the work.

A set of measures for the guidance of the district authorities in the gradual abolition of the exorbitant and miscellaneous taxes and levies collected in the province has been transmitted to the local governments by the Chekiang Provincial Department of Finance.

Geological Research Institute Building Is Completed

The new building of the Geological Research Institute of the Academia Sinica (Central Research Council) at the foot of the Peichiko hill near the Drum Tower in Nanking has now been completed at a cost of $108,000. In addition to this, a new building for the History and Languages Research Institute is also being erected in the same vicinity and is scheduled to be completed in the latter part of July. The estimated cost of the construction is $90,000.

N. E. C. Plans for North-West

Outlining the plans of the National Economic Council for the development of the North-west, in an address delivered at a mass meeting in Sian April 28, T. V. Soong, member of the Standing Committee who is on a tour of the North-west, said that the program of the Council included reconstruction along the following lines: namely, water conservancy, development of the system of communications, rehabilitation of the rural districts, and promotion of public health. Mr. Soong expressed his pleasure the remarkable progress and improvement already achieved in Shensi under the able direction of Shao Li-tzu, Chairman of the Shensi Provincial Government, and General Yang Hu-cheng, Director of the Sian Pacification Headquarters.

T.V. Soong Continues Tour of Northwest

T. V. Soong arrived in Lanchow from Sian, by airplane May 1, and later proceeded to Chinghai and Ninghsia. Interviewed at Lanchow Mr. Soong stated that his trip to the North-west was taken with a view to discussing industrial possibilities in that region on behalf of the National Economic Council. Mr. Soong added that most of the difficulties in the North-west could be settled by developing communications.

Mr. Soong flew to Hsining, provincial capital of Chinghai (Kokonor), May 7. He was given a great welcome by the various public bodies at a mass meeting at Lanchow May 5. He conferred with General Chu Shao-liang, Chairman of the Kansu Provincial Government, the various Provincial Departmental Commissioners, and the local gentry regarding the program for the development of the North-west. He later proceeded to Chahar by way of Shansi. He will also visit Peiping before returning to Nanking, it is stated.

A military review participated by more than 5,000 troops was held April 29 in the western suburb of Sian by General Yang Hu-chen, Director of Sian Pacification Headquarters, in honor of T. V. Soong. In the course of the review, Mr. Soong delivered a speech encouraging the military comrades in the Northwest to do their duty in defending the nation against external aggression and appealing to them at the same time to exert themselves in productive enterprises in the Northwest.

T. V. Soong in a telegram to President Wang Ching-wei, May 2 stated that he had held a number of conferences with Shao Li-tzu, Chairman of the Shensi Provincial Government, and General Yang Hu-cheng, Director of the Sian Pacification Headquarters, on the program for economic development of the North-west. The results of the conferences were highly satisfactory, Mr. Soong said.

General Huang Shao-hsiung, Minister of the Interior, after a visit to Lanchow where he inspected conditions in that province, arrived back in Nanking by plane on May 6. General Huang has definitely abandoned his intention to visit Sinkiang for the time being.

New Industrial Act to Encourage Chinese Industries

The National Government April 20 promulgated the new Industrial Encouragement Act, which cancels the Act of Encouragement for Specific Industries. In it provision is made to grant state aid to Chinese owned and operated industries on certain conditions. The Act consists of twelve articles, one of which indicates that the legislation is discriminatory, as Article II provides: "Industries which have foreign capital shall not receive encouragement under this Act." It is stipulated that the commodities which are to be encouraged are to be manufactured with most up-to-date foreign methods and also the commodities are to be manufactured in the country by applying inventions which have patent rights in the country.

The methods of encouragement shall include reduction in or exemption from export duties, reduction in or exemption from raw material tax, reduction in freight rates charged by Government-owned communication enterprises, grants from an encouragement fund, and a grant of exclusive right of manufacture in a certain area for a period of less than 5 years.

Palace Treasures in Shanghai Examined Following Allegations of Theft

Ever since the removal to Shanghai of the many thousands of cases of art treasures from the Peiping Palace Museum, when almost two years ago it was feared that the Japanese Army might descend on the former Capital, there have been rumors not only that some of the treasures had been lost, but that others had been surreptitiously sold or stolen. Specific allegations were made several months ago in the Peiping Courts, following a petition filed by Mrs. Chang Chi, wife of a member of the Central Kuomintang Supervisory Committee, that Yih Pei-chi, a former president of the Museum, and at one time Minister of Agriculture and Mining in the National Government, had stolen crown jewels from something like 160 headgears from various old dynasties, and other articles, estimated at a value of several million dollars. Mr. Yih has in the meantime, allegedly, disappeared. As a result of these allegations an examination was began this week of the treasures—most of which are stored in the Ben Building in the French Concession.

Procurators from the Highest Court in Nanking and the Nanking District Court began inspection of the cases of rare treasures May 8. There are in all something like 19,000 cases held here since last year when Japanese military operations threatened Peiping. No attempt will be made to open all the cases. Meanwhile, Chow Lee-sen, member of the Control Yuan who has been designated to conduct an investigation in connection with the alleged theft, is represennted as conducting inquiries secretly in Shanghai.

Foreign Secretary Simon Challenged on Japan Rights in China

Sir John Simon, British Foreign Secretary, was challenged in the the House of Commons May 7 to define the phrase he used last week regarding "Japan's special rights in China which were recognized but not shared by other Powers." Sir John Simon replied that the rights referred to arose from agreements relating to particular enterprises, for example the Japanese Concession at Hankow.

The British Conservative press expressed sympathy with Simon's statement and declared that the incident has been closed. However, a certain apprehension is observed even in the Conservative comments. The *Times*, for instance, editorially carefully tries to prove that the Japanese declaration and the statement made by the Japanese Ambassadors to Washington and Berlin do not express the policy of the Japanese Government, admitting at the same time that these statements reflect the frame of mind of official circles in Japan.

The opposition press mostly criticises Simon's statement. The *News Chronicle* declares that the powers will be forced to admit a grave error, should they not arrive at some terms for establishing a joint policy.

J. G. Latham Proceeds to Japan After Visit to Peiping

J. G. Latham, Deputy Prime Minister of the Commonwealth of Australia, and party, arrived in Peiping May 2. Among those who welcomed the party at the railway station were Sir Alexander Cadogan, the British Minister, Mayor Yuan Liang, and representatives of the Peiping Branch of the Military Affairs Commission and the Peiping Affairs Readjustment Committee. Mr. Latham was guest of honor at a luncheon given at the Summer Palace by Mayor Yuan Liang and Ma Heng, Director-General of the Peiping Palace Museum. Mr. Latham and party arrived back in Shanghai May 7 and departed for Japan the following day.

President Wang Ching-wei entertained Mr. Latham's party at a farewell banquet in Nanking May 1. It is learnt that Mr. Latham offered a gift of 20 specimens of Australian kangaroos and young bears to the Central Park in Nanking.

Peiping *Hua Pei Jih Pao* comments:—"Leaving economic questions aside, and accepting Mr. Latham's statement that the mission is not of a commercial nature but is interested in the promotion of cultural and human relations between Australia and China, we would like to extend a warm welcome to the Australian leader and party. We particularly hope that the journalistic members of the mission will make an objective study of conditions in this country and try to correct some of the misleading conceptions of this country which still obtain in various parts of the world. They should realize that the national movement in China is not an anti-foreign movement nor is it intended to disturb the peace in the Far East. What the Chinese people seek are national independence and freedom. It is to be hoped that after his return to Australia Mr. Latham will do something towards the maintenance of peace and order in the Far East. The people in North China are a peace-loving people, but if our neighbors continue to bring pressure on us, there is no alternative for them but to resist to the last."

Trebitsch Lincoln May Return to China as Deportee

Trebitsch Lincoln, who in the role of a Buddhist monk has chosen the name of Chao Kung, was detained at Liverpool on his arrival May 6 and ordered deported back to Canada, and the indications are that Canada well probably deport him back to China.

The Shanghai *Ta Wan Pao* comments:—"Abbot Chao Kung will probably again take advantage of China's hospitality and return to this land. He will then probably flatter the Chinese people as the only nation on earth who 'know' him. In contrast to the rebuffs he is receiving in foreign comtries, his glorious stay in China must indeed seem surprising. The reason why England and America have rejected his application to land, however, is simplicity itself. As Trebitsch Lincoln, he acquired worldwide notoriety as an international spy and a dangerous character. To tolerate his presence in any country is like leading a pack of wolves into one's house. That is why England and America regard him as dangerous as a snake or a reptile. Likewise the welcome Chao Kung received in China can be simply explained. China is a country where Buddhism has a long history and a big following. Captivated by the idea that a foreigner had embraced the faith and undertaken to spread it in the western world Chinese Buddhists accepted him as an enlightened exponent of the Buddhist faith without as much as inquiring into his past record. His superficial lectures hardly scratched the surface of Buddhism but they have, so far, failed to disillusion his enthusiastic admirers."

Dr. Sao-ke Alfred Sze Inspects Chinese Settlements in West Indies

Dr. Sao-ke Alfred Sze, Chinese Minister in Washington, took a vacation cruise in the Caribbean Sea in March, in the course of which he inspected the Chinese settlements in that area. The *Kingston* (Jamaica) *Daily Gleaner* of March 13 reports that Dr. Sze was warmly welcomed by the Chinese community in that Island and was also received by the Governor. At a dinner given at the Constant Spring Hotel attended by Chinese merchants, and British and American officials, the friendly relations existing between the Chinese, British and American Nations, and particularly the amity prevailing amongst them in the island of Jamaica was the keynote of the speeches. Editorially the *Gleaner* said: "The guests by their presence showed appreciation of a distinguished plenipotentiary who in America speaks for a remarkable and historic country. Dr. Sze combines in himself the culture of the East with the culture of the West. He is a type of the new China that is rapidly developing the China which has passed of late and still is passing through a series of misfortunes, but which in the future will emerge united and strengthened and certainly free from anything like the domination of Japan or any other Power."

Huge Advance in Central China Educational Project

(By the Review's Correspondent at Hankow)

THAT education in Central China is the concern of private citizens, as well as of the government, is proven by the handsome gift of $100,000 to the Wuhan Government University in Wuchang from the estate of the late Li Yuan-hung, former president of the Republic of China. In making the announcement of the donation Li Chung-kwang, the eldest son, stated that his father had stipulated in his will that $100,000 should be used for educational purposes in the province of Hupeh, and that this sum should be appropriated from his shares in the Chun Shing Coal Mines. This reveals a fine public-spiritedness among the citizens of this area. The Wuhan University is expanding rapidly. Already money has been provided from public funds to build a library and administration building this year. Thousands of dollars are being spent on the purchase of new books for the library, the intention being to create a first-class library of European, American, and Chinese works. With the new donation the university authorities are contemplating building a gymnasium to be named Sung Chin Gymnasium, for the family name of former President Li.

New Life Movement More Active

Simultaneous with appointment by the Nanking government of Victor Hoo, Chinese Minister to Switzerland, as delegate plenipotentiary to the 18th session of the Advisory Committee of the International Opium Prohibition Conference at Geneva, comes the sudden ban on opium in the whole of Hupeh. Orders for the withdrawal of shop licenses from the 5000 opium dens has been received from the Generalissimo Chiang Kai-shek. Up to May 1st 3000 of these had been revoked by the provincial and local authorities. Feeling as he does the inconsistency of opposing the use of opium in any form whatever and the acceptance of license fees from opium dens, the Generalissimo is to be commended for his decision to rid China of the opium curse, and to build the moral and physical fibre of the China of tomorrow. While the withdrawal of licenses will not do away with the opium habit, still it will discourage it to a considerable extent when the comfortable and easy access of the drug in the open public shop no longer is tolerated. It is hoped that the Wuhan police and the officers of the Public Safety Bureaus will quickly and effectively carry out the order prohibiting the public indulgence in opium.

No Cigarette-Smoking on the Street

The New Life Association has been meeting almost daily of late propounding and promulgating new and various ways of mending the morals of the man in the street. In Hankow it is now considered the height of indecency to smoke a cigarette on the street. Pickets of the New Life Movement have appeared on the thoroughfare of the city since May first warning pedestrians of the bad effects of the cigarette habit. No doubt this plank in their program is causing the various foreign tobacco companies additional worries. Government officials and students in government schools have been warned not to smoke cigarettes and not to use opium.

Besides these planks three others were adopted at a meeting held this past week in Hankow:

1. Dress neatly and correctly.
2. Walk on the side-walk, not in the street.
3. Keep order in a public place.

From these simple rules it is obvious that the tendency in the New Life Movement is to enlist the interest and support of the common man in the work of the government, and to increase the prestige of China by actually improving the general life of the people and raising the cultural level of Chinese society. The wide endorsement of the ideas of the movement in Central China, both in educational and business circles, as well as in churches and social groups, will tend to add prestige and power to the man from whom the whole movement flows. General Chiang Kai-shek is not only a practical military strategist, but has shown himself to be a man of considerable moral daring.

The general attitude of the foreigner is, generally speaking, sympathetic, but often skeptical. "Will it last?" There have been so many movements in modern China. Has this one some hidden power that will carry it through the first slough of indifference and despond. Much depends on the moral quality of the leaders chosen to realize the aims of this New Life Movement. No foreign business man will oppose a movement that seeks to imbue its members with honesty and moral integrity, unless he is a moral pervert.

New Airlines Tibet-ward

No sooner was the Peiping-Hankow-Canton airline established by the Eurasia Aviation Corporation on May 1, than comes an announcement of the competing line to the effect that measures are being taken to establish air service between Szechwan and Sikang provinces. The line starting from Chengtu, and capital of Szechwan, will call at Kangting and Patang in Sikang. General Liu Wen-hui has received orders from the Ministry of Communications to prepare airfields both at Kangting and at Patang.

Dr. H. H. Kung Expected Momentarily

When General Chiang Kai-shek issued his order to close the opium dens in this center, he foresaw that eventually such a policy would reduce the opium revenue on which large sections of the government officials subsist. Therefore he has instructed Dr. H. H. Kung, Finance Minister, to devise ways and means of obviating this difficulty. Manifestly the opium octopus is not easily slain. Besides studying the opium situation from its revenue-producing aspect, Dr. Kung will discuss the financing of the Northeastern troops under Marshal Chang Hsueh-liang. Meanwhile Dr. Kung is investigating economic conditions in Anhwei and Kiangsi provinces, and conferring with the Generalissimo at Kuling.

Young Marshal Honored

Marshal Chang Hsueh-liang has been appointed a member of the Administration Committee of the Military College at Nanking. During the past week General Hu Tsung-tu, former Wuhan Garrison Commander, interviewed the Young Marshal before proceeding to Kiangsi to confer with General Chiang Kai-shek.

Military Conference in N. W. Hupeh

General Ho Chen-chun, Hupeh Pacification Commissioner, left Hankow for Fancheng in northwestern Hupeh province on May 2, on an inspection tour of the Honan-Hupeh border districts. The General took part in the first athletic meet ever held in Siangyang during the first week in May. At the conclusion of his inspection General Ho will call a conference of military commanders at Fancheng to discuss affairs pertaining to the peace and order of N. W. Hupeh. The Reds in Szechwan are beginning to be very active and protective measures are being prepared as so to meet any emergency that might arise. At present all is quiet in the province, excepting Ho Lung's ravaging in S. W. Hupeh.

Reds Making Progress in N. E. Szechwan

While there is a dearth of information regarding the activities of the communists in northeastern Szechwan, the reliable news that does seep through the censors' sieve reveals a situation that may grow alarming overnight. Regarding the withdrawal of the Reds during the late autumn and winter as a sure sign of weakness, the government forces have not reckoned on the strength there lies in unity, unity of command, unity of position and unity of purpose. On all these counts the Reds have a jump on the Regulars. Therefore it is not surprising to hear of a bold forward move of the Red forces along the Pa-ho (river) as far as Chekiabo by April 17, after their capture of Kiangkow. General Yang Sen's troops have halted before Honglintao, not daring to advance against the Red forces. General Liu Hsiang will be hard put to it to keep up with the strategy of the iron-disciplined Reds and their unified command.

Hankow, May 7, 1934.

King Ibn Saud Defeats Rival, Dominates Arabia

The nations of Europe, and particularly Britain, are watching with intense interest the success of the forces of King Ibn Saud of Saudi Arabia, who now practically dominates the whole of Arabia in consequence of the victorious march of his troops down the coast of the Red Sea. Ibn Saud has dreams of an Arabian empire and now that he has crushed the opposition offered by the legions of the Imam of Yemen, his dream is nearing realization.

Three British warships last week cast anchor in the harbor of Hodeidah, the chief seaport of Yemen, and all the foreign residents there were transferred to Kameran Island, where the British and Netherlands governments operate a quarantine station. The population of Hodeidah included 300 British subjects, most of them Indians, who, prior to their evacuation, were threatened by possible massacre by Arab tribesmen encamped on hills surrounding the ancient seaport. In 1918 Hodeidah was bombed and occupied by the British, who subsequently withdrew. British warships approaching the Arabian coast were fired upon by Arabs, whose sole weapons were rifles. No harm was done, but the firing was typical of present-day Arab hostility to the British.

According to a report from Cairo the Imam of Yemen reported his own defeat to an Egyptian newspaper by radio, at at the same time mentioning that he had asked the King of Egypt to arrange an armistice.

China to Have Another Movie Film Competition

The National Educational Films Association under the Ministry of Education has decided to collaborate with the Central Party Publicity Committee in selecting and despatching abroad films depicting Chinese history, Chinese life and Chinese secenery. The Central Publicity Committee will be requested to give due recognition to the high standard of art achieved by the Chinese film "Two Sisters", in which Miss Butterfly Wu is the star, and which has been acclaimed the best Chinese production in years. A second film competition will be held in the near fture. All native film companies throughout the country will be requested to enter their best picture, produced during the past year, for examination.

British Empire to Fight Japanese Competition

The British Government, through the President of the Board of Trade, Walter Runciman, May 3 gave notice to Japan, as represented by T. Matsudaira, Japanese Ambassador in London, that Britain would take steps to safeguard the textile and other British industries, particularly cotton goods, from further inroads by Japanese wares, which are being sold at impossibly low prices. Mr. Runciman added that the British measures will go forward unless there was an unexpected change in the Japanese attitude. He explained that any protective action which the British Government may think necessary, would be reluctantly undertaken in the hope that a way out of the Anglo-Japanese cotton deadlock, especially, would soon be found. For over a year, he said the British Government had delayed protective action for both the Colonies and the home market in order to secure the best possible atmosphere for Anglo-Japanese trade talks.

It is understood that Mr. Runciman also pointed out that if Great Britain takes protective action, it will be because there appears to be no prospect for a general trade agreement or even a resumption of the textile conversations. It is understood that a year's notice of the termination of the Japanese trade treaty with the West Africa colonies, will be given by the British Government on May 16.

Quotas Objected to in Hongkong and Elsewhere

The proposed British quotas against Japan are reliably reported to have caused objections in Hongkong on the grounds that they would deprive the Crown Colony of a large Japanese re-export trade with south China. It is also rumored that Ceylon has registered similar objections.

In the opinion of most Japanese newspapers, the quota system will not seriously affect Japanese trade in the British Colonies, where it continues to increase, despite the repeated tariff increases. It is likewise doubted whether the quota system will affect Japanese trade in the dominions, as the export trade is booming and has shown in April an increase of Yen 33,000,000 compared with April, 1933. The Japanese also figure upon the fact that various British territories, for example Canada, which has already intimated that it will oppose additional restrictions will not agree to make any further sacrifices for the benefit of manufacturers in the British Isles.

Commenting on Mr. Runciman's note, the *Chugai Shogyo* May 6 regretted the British attitude as extremely unfriendly and threatening, but with a reservation that, the British industrialists being in such straits, the Government may have been compelled by circumstances. Moreover, if the standards to be applied are fair, the quota system is not necessarily objectionable, this commercial journal said.

The Japanese are making the utmost of the fact in connection with the pending trade negotiations that India, under the instigation of the Swaraj party, is agitating to repudiate the debts (amounting to ten thousand million rupees) owed by India to England. A Tokyo message of May 4 stated that bitter dissatisfaction regarding the taxation policy of the Government was being expressed by the Indian masses. The protective tariff policy of the administration has resulted in the raising of the consumers' tax, with consequent hardships on the poorer classes, according to Mr. Terao, a delegate to the recent negotiations at Delhi. When revenue decreased because of a fall in imports, caused by the imposition of a higher tariff, the government found it necessary to boost the consumers' tax, he explained.

Japan to Import More Javanese Oil

The Japanese are planning to use more oil from Java instead of America, with a view to facilitating the trade negotiations to be opened at Batavia shortly. Officials of the Japanese Foreign Affairs and Commerce and Industry ministries stated last week that Japan is not opposed to the principle of barter in an effort to equalize the trade between Japan and the Netherlands and her dependencies. Since there are few Netherlands products in demand in Japan, oil was said to be the logical answer, as the element which would tend to balance the trade account between Japan and the Netherlands and other Colonies. Last year Japan exported 60,000,000 yen in excess of what she imported from Dutch ports.

Seizaburo Yamanaka, Sourabaya manager of the Mitsui Bussan Kaisha, who recently returned to Japan from a trip to the Netherlands Indies, says that adjustment of the one-sided balance of trade is the only means of settling the present trouble with the Netherlands Indies. If things are left as they are, over six hundred Japanese commercial houses in the Dutch Indies will lose their footing, he warned.

A recent Sourabaya message stated that the Netherlands Indies Government will, in the forthcoming trade negotiations insist on the sale of 500,000 tons of Javanese sugar to Japan, and that in the event of the parleys failing, it will enforce the license system for importers. As this license system allows 85 per cent to European houses, leaving only 15 percent to Japanese and Chinese merchants, it is tantamount to almost complete loss of Japanese commercial interests in the Netherlands Indies, the message pointed out.

Strong opposition to Government plans to increase the import of Javanese sugar as part of the plan to secure a more equitable trade balance between Japan and the Netherlands is being voiced by the Taiwan Sugar Refining Company.

Japanese Labor Becomes Restive

The Japan Labor Unions Congress, which played an important part in the selection of the Labor delegate to the forthcoming International Labor Conference, has issued a statement that the contention that the advance of Japanese goods in overseas markets is due to social dumping is open to objection, but if the charge of social dumping is unjustified, the fact must be admitted that labor conditions in the country, which are considerably lower than those in Western industrial countries, constitute the prime factor in the headway of Japanese export industries. It is, therefore, regrettable that the Japanese Government authorities and employers deliberately close their eyes to this reality, and display neither the sincerity nor the readiness to improve these labor conditions, the statement added.

Chinese and Japanese Athletes Arrive in Manila, Ready for Olympic Games

The Japanese athletes arrived in Manila May 4, and the Chinese athletes arrived there on the s.s. *President McKinley* May 8, ready for the Olympic Games.

The Ministry of Education has remitted an additional sum of $15,000 toward the expenses for China's participation in the Far Eastern Olympic Games, which will commence May 12. The total cost of the trip to Manila was originally fixed at $90,000, half of which is to be borne by the Ministry and half by the National Amateur Athletic Federation. This sum being considered insufficient, an additional appropriation has been made by the Ministry.

The Tientsin *Ta Kung Pao* comments:—"Judging from existing indications, there is reason to believe that the Tenth Far Eastern Olympics will prove to be the last of their kind, so far as Chinese participation is concerned. At the round-table conference of the athletic officials of China, Japan and the Philippines in Shanghai last month the Japanese delegates brought up the question of Manchukuo participation in the forthcoming Olympics. The proposal was opposed by China and defeated. It was reported at the time that Japan would withdraw from participation as a protest, but eventually Japan changed her mind and decided to participate as usual. However, many Japanese have not yet reconciled themselves to this decision, as evidenced by reports from Tokyo saying that a number of Japanese athletes refused to go to Manila while several were assaulted by rowdies before the delegation sailed for Manila. It is most unfortunate that the Tenth Olympics are to be opened under such circumstances. At the same time it shows that Japan is determined to press for the revision of the rules requiring the consent of all the participating countries for the admission of a new member to the Far Eastern Olympic Committee, and since China will not agree to this under any circumstances, it is not unlikely that she will withdraw as a protest."

Belgium Confers the "Grand Cross" on General Chiang

The repeated visits of many foreign envoys to Kuling last week to call on General Chiang Kai-shek, President of the Military Affairs Commission, created much speculative interest on the part of the public. *Chekiai* says the visit of Baron Guilluame, Belgian Minister to China, was to present to Generalissimo Chiang "The Grand Cross," a recognition of highest esteem to be presented to a foreign executive on behalf of the Belgian King. The purpose of the visit of Nelson T. Johnson, the American Minister, was to pay his respects to Generalissimo and Madame Chiang; at Kuling, he wished to discuss with Dr. H. H. Kung, Vice-President of the Executive Yuan and concurrently Minister of Finance, on the many pending issues of America's claim toward the Sino-American debts. But unfortunately, Dr. Kung's indisposition prevented Minister Johnson from calling on him.

A. A. U. Made Net Profit of $384,365.29 in 1933

The American Asiatic Underwriters, Federal Inc. U.S. A., made a profit last year of $384,365.29 as compared with $253,-133.15 net earnings for 1932, a gain of $131,232.14. The directo s have declared a dividend of $1.40 per share.

Underlying Current of Japan's Politics as Seen By Foremost Critics

BY THE REVIEW'S TOKYO CORRESPONDENT

(Translations from various Japanese publications)

IT is customary that after the adjournment of the Diet session publications criticize various phases of state politics, weighing the gravity of the cabinet situation. Generally speaking, for reasons which the scribe has no liberty to disclose here, numerous comments in newspapers, editorial and otherwise, given on domestic politics do not touch upon the vital points whose disclosure might incur grudge. In the case of magazines, the situation is somewhat different, for they have more liberty in this respect. Those specially connected with political parties or the government are of course excepted.

In an attempt to enlighten the world upon the underlying current of the domestic politics of the country the scribe selected for translation writings by foremost critics of the country who are not affiliated with a party or the Government nor have any connection with it. The following are summarized translations of such articles.

Political Tempest Is Approaching

(By Jonan Inshi (南城隠士), Bunpei Shunju, May)

The Saito Ministry has again decided to stay. That it has come to stay this time is because none of its missions has been fulfilled. That is to say, Saito is determined not to quit until state politics, founded on parliamentalism, are revived.

In spring last year I forecast that a political change might come on account of declining health of the three senior members of the Cabinet. But seeing that they have become remarkably strong, there is in sight no cause for the advent of a political change just at present. However, it is doubtful whether the Cabinet will continue in power, for behind the scene there are going on diverse plots to overthrow the present Cabinet.

It was with the object of calming the excitement in the mindi of the people subsequent to the May 15 incident that Prince Saionjs and other mainstays of the country persuaded Viscount Makoto Saito to stand up for the country. At that time the mentality of the nation was such as might bring about social revolution, not to mention a radical change in politics. It was the firm belief of Prince Saionji, the genro, and other senior members of the state that the only means to stabilize the ruffled minds of the people is to re-instate the political structure upon the principle of party politics. Viscount Saito was considered as the ablest man likely to be equal to the important task.

Prince Saionji, the genro, is the foremost upholder of the party politics and believer in the parliamentalism—standing above all others in supporting the cause of parliamentalism. He firmly believes it his most important duty to the country to see first of all that the paralimentary politics is established and then that the transfer of political power is smoothly effected.

It is the idea of Prince Saionji that under the existing situation, in case the Saito Cabinet resigns, there would be no hope for political power's returning to the hands of the political parties. It is for this reason that he wants the Saito Cabinet to remain in power until the general atmosphere is improved. At the very bottom of the factors which enable the Saito Cabinet to stay lies this circumstance.

The foremost believer in party politics as he is, Prince Saionji is completely disappointed with the party men. Even Baron Wakatsuki, President of the Minseito Party, who is regarded as enjoying the confidence of the Prince, fails to pass his examination as the candidate of the premier. As regards Dr. Suzuki, President of the Seiyukai Party, he receives far less confidence of the Prince, as is evident from the fact that his request for an interview with the Prince was not granted.

As possible successors we may mention Gen. Ugaki, Baron Hiranuma, Viscount Kiyoura or Korekiyo Takahashi. Among them the last mentioned can be recommended in comparative safety, the rest being likely to entail difficulties under the existing situations. The unification movement among parties favors supporting Takahashi. Financial circles too want his services.

The deadlocked state reached by the Cabinet must be well understood by the Premier, Finance Minister Takahashi and Home Minister Tamamoto, and it is logically presumable that it was after their mature consideration as to the advisbility of tendering resignation that Premier Saito visited Prince Saionji, the genro. The Premier had decided to resign if only the genro agreed. But how could the Prince take up the question in the absence of the mention of the name of a possible successor? The interview ended in the decision of Viscount Saito to remain in office.

As a new undercurrent of the political world I must not omit mentioning of the movement of bureaucrats. Having been stimulated by the decline of political parties and the activities of mainstays of the military, Government officials commenced to combine their efforts to renovate the rotten politics of the country. This movement has antipathy toward political parties, while gradually approaching the recreation influence centering around the military.

The much-talked-of movement of effecting cooperation among parties is, as far as the Seiyukai Party is concerned, the movement of ousting the President Suzuki of the party. He is so unpopular in all sections of the political world that the Minseito Party shows a cool attitude toward various proposals made by the Seiyukai Party. It is not until there is a change of the Cabinet that the coalition movement is realized, I feel safe to predict. It is evident that this movement of the parties is not sufficiently powerful to overthrow the Saito Ministry.

Among various probable candidates for the premiership, I may mention Baron Kiichiro Hiranuma as the most influential. Until but recently the financial cliques were extremely apprehensive of the Hiranuma camp being fortified, but the leading financial cliques having completely been disgusted with the slovenliness of political parties and having grown tired with waiting for the appearance of Gen. Ugaki, they began showing less caution and have even come to cast amorous eyes at the Hiranuma camp. There is no room for doubt that groups belonging to the right wing consider Baron Hiranuma the ideal successor to Viscount Saito. The same can be said of the attitude of the progressive element of the military, for it looks forward to see how they could realize a powerful regime of autocracy. Hiranuma's camp is daily reinforced and as things stand at present he is the most promising successor to Viscount Saito.

The Saito Cabinet

(By Tsunego Baba (馬場恒吾), Chuo Koron, May)

In present-day Japan, where the people have keen interest in state politics, the political parties are not allowed to resort to arbitrary action for the purpose of satisfying their political greed. It is true that the result of the general elections held in the past indicates the tendency of the government party's emerging victorious, but putting all things together for consideration we can safely assert that the result of the general elections did not fail to show the general direction of public opinion. It is also true that party politics are safer then autocracy, because in the former case a skeleton program is made known to the people in advance while in the latter case its policy is hidden in a jack-in-the-box.

There may be many reasons for the Seiyukai Party's inability to take over the reins of the government, but when putting them in a word we feel we may safely assert that it is because the party does not endeavor to get into power. At the time Premier Inukai died the Seiyukai Party raised no cry for the transfer of political power into its hands. In so doing the Seiyukai, as a party having as many as 300 seats in the Diet, forgot to respect the dignity not only of itself but also of the people, which is a fact we cannot forbear. What is most urgent for the Seiyukai is that it should reorganize its camp and to do so it is imperative to go through a general election under the leadership of President Suzuki. Likewise, in order to fulfill its mission of laying open a way to the re-appearance of a party cabinet it is indispensable for the Saito Ministry to dissolve the House of Parliament. In this connection it is to be noted that toward the close of the last session of the Diet there were two occations on which voices were raised in favor of dissolution of the Diet. The Seiyukai and the Saito Cabinet agreed with each other in that a general election is necessary. Those around the Premier however held themselves against holding a general election from fear of its resulting in a majority party's getting in power. Besides, even among the Cabinet members there were some who might disagree with the dissolution proposal by the Premier. Thus the rumored attempt at dissolving the Diet by Premier Saito was not presented to the Cabinet meeting. These circumstances throw light upon the cause of the Premier's having determined to hold fast to his position even though he might have to end his service in disgrace. Thus there is possibility of a proposal for dissolution of the House of Representatives. In favoring the dissolution people do not anticipate the majority party's immediately getting in power, but the dissolution is an indispensable step toward re-establishment of the party cabinet and accordingly constitutes one of the missions of the Saito Ministry.

Letter to Prince Saionji

(By Retsu Kiyozawa (清澤冽), Chuo Koron, May)

His Excellency Prince Saionji,

Sir,

Premier Saito decided to remain in power subsequent to his visit to your excellency. Had it not been for your words of encouragement the Premier might have resigned the post.

Far from criticizing your attitude I rather feel inclined to have sympathy with you. All are aware of the decrepitude and powerlessness of the Saito Ministry, but no power strong enough to overthrow the present Cabinet is anywhere to be seen.

To me politicians, press and critics are all cowards in that they continue making a great fuss about the creation of a strong cabinet while hesitating to point out a particular person who may assume the post. They leave nothing undiscussed but bring the burden of the practice of the fruit of their discussions upon your shoulders.

I wonder whether you felt congenial satisfaction with your position as genro at the interview with the Premier; presumably you felt disillusionment.

The principle of supporting a party cabinet has lived all through your political career and I understand that it is your cherished hope to establish a model parliamentary politics.

You are a believer in iconoclasm. The spirit in which you associated with such "radicalists" as Clemenceau still constitutes the corner-stone of your mentality.

You are a born liberalist and have safely maintained your standpoint as such throughout your long service to the country amidst the atmosphere of conservation and bureaucracy. You have had cool observation of social conditions, drawing clear demarcation between things that exist and those that ought to exist. To you who sees no need of having the lust for political power and reputation, kaleidoscopic change of social events will be mirrored clear in your mind just as things are reflected in a mirror. If a question is asked as to whether your existence in Japan as a genro was beneficial to the State or not, I would make no hesitation to reply in the affirmative.

With reference to those who may succeed Viscount Saito, there are less than ten candidates. The presidents of the two major parties would come at the head of the list in ordinary times. As regards Gen. Ugaki, delicate circumstances surrounding him would discourage you in making your final decision. Nor is it thinkable that the much-fussed-about appearance of the Takahashi regime will be realized at the heels of the present Cabinet if it goes out of power to resuscitate public sentiment. Furthermore, we cannot imagine you recommending 85-year-old Viscount Kiyoura or young Prince Konoe.

The most promising candidate is Baron Hiranuma. But it is observed that you will not trust a man whose basic principle appears to ignore parliamentalism.

Baron Hiranuma upholds the principle of Japanese spirit or kingly way, which, however, is an ideal and not a policy—both the leftists and rightists have the tendency of confusing ideal with policy. Ideals could execute no scientific state functions such as financing, digging ditches and laying out roads. The ideal is born of policy, whereas in the case of Hiranuma he has never shown a shade of his policy. The May 15 case is an example of a case of making a dash at an ideal without an established policy. The political situation of today is such that in the presence of undeniable evidences testifying to the powerlessness of the present Cabinet, there is none in whose care the state-business could safely be placed.

Finding yourself in a position to make a selection between Saito's remaining in office and recommending Baron Hiranuma as his successor, you decided on taking the former course, it is presumed.

In personality Premier Saito may be said to be an example of a non-Japanese type, for, like cherry-blossoms, the Japanese have pride in ending their public service with dignity. It is not an exaggeration to say that it is a characteristic of the Japanese to place more importance on the attitude in which one deals with his position than on the actual state of things surrounding him; politics of the country is more sensitive to personal element than policies. Premier Saito, immovable like a mountain, never flurries himself at any happenings or gets excited at any bitter criticism. He served for 8 years as Vice-Minister of the Navy, 8 years as Navy Minister and also 8 years as Governor-General of Chosen and it appears as if he is determined to hold his present position for another 8 years depending upon your words. His type is rarely seen among the hasty-tempered Japanese.

What has benefited most by the advent of the emergency period is the section of bureaucrats. See how they have begun putting up their heads, 80 per cent of the newly appointed Imperial nominees to the House of Peers being occupied by those from official-dom, while the selection of Privy Councillors has been made from among "officials in the second reserve." A striking feature in contemporary Japan is the rise in power of the dominating class, taking advantage of the advent of the emergency time. The principal cause of this phenomenon is traced to the degeneration of the political parties.

I entertain doubt if the parliamentary politics will revive in the near future, though I hope it may. The parliament is not in itself a concrete power but a container of conflicting powers. Especially the one, which, as is the case with Japan, represents part of the influence of the country, is likely to fall victim to the rise of powerful influence outside of it. Furthermore, the parliament and party politics born of it have no continuity of politics, unlike the case of the bureaucratic politics. It is the military which dealt a blow to the parliament from outside. After the Manchurian Incident the military completely altered its standpoint, for the incident brought about a drastic change in Japan's international position and as a consequence the military had to take into account the country's trade situations with other countries in the event of an outbreak of another world war; hence, military's poking its nose into industrial organization, agrarian, trade and other questions, which are really outside of its jurisdiction. Japan's social and industrial conditions have sustained a phenomenal change after the Manchurian Incident. The war industry and inflated budget have resulted in the strengthning of the trust, and the time will eventually come when this tendency must be checked. What could the parliamentary politics do in such an occation? Besides, the Japanese are insufficiently trained in functioning parliamentary politics. All this testifies to the unlikeliness of the early revival of parliamentary politics.

Just view of the foregoing reasons I wonder if in near future there will appear in our country a period of "almighty political parties" like the one we have experienced; for some time we shall have to breathe in the stiff atmosphere of bureaucracy and experts. It is however unlikely that the bureaucracy will win the heart of the people, for the Japanese bureaucrats are oversubtle and therefore unable to establish a plan covering the entire phases of national activities. This tendency is now manifest, giving birth to many evils. For instance, there is no established foreign policy nor domestic schedule. The result is that Japan makes enemies on all sides, befriending none. No leadership exists in Japan, petty officials' special knowledge dominating throughout the country. This situation, however, will not last long; the people will eventually be enlightened upon the preferability of party politics to the bureaucracy. But the parliamentary politics that will revive in this way will have gone through substantial transformation—into a combination of parliamentary politics and the bureaucratic influence, which is characteristic of the country, politics being executed from "above" as in the past.

I regret having to leave my discussion on the parliamentary politics half done.

The influence of the right wing is not so strong as is generally believed; it is no more than a reactionary thought. The appearance of a "strong cabinet" will be contributory to the advent of a crisis, as is evident from the personality of its advocators.

The most important question facing Japan is that of her foreign relations, as it is reported you referred to, at your last interview with Premier Saito. But to steer the foreign questions into domestic ones, following the instances set by Mussolini and Hitler, is a burning necessity in our country.

At any rate the existing situation in our country is devoid of durability. Society demands forward advance at all times; the maintenance of status quo means retrogression in the age we are in. Have you not in mind an idea of widening the scope of your selection and picking up a man of real worth from among plebeians, without having an eye on worldly title and career?

With all the rest of the nation I hope you will take great care of your health.

How Premier Saito Has Come to Stay

(By Shinnosuke Abe (阿部眞之助), Chuo Koron, May)

I am still unable to see what made the Premier decide to stay. According to what is circulated by the Government circle it is through the following circumstances that he has come to stay:

At his interview with Prince Saionji Premier Saito stated he preferred to be relieved of his duty on the ground of the settled political situation and his declining health and intimated his intention to recommend Prince Fumimaro Konee as his successor, who is "an apple of the eye" to the genro. The Prince, however, instead of hearing him out explained to him the prevailing situation, pointing out that there was no proper successor, earnestly remonstrated with him to quit the idea of retiring and work for the sake of the country. Thereupon the Premier, being moved by the genro's enthusiasm, decided to continue serving the country with renewed vigor.

The genro is at all times ready to promote the national destiny and would be sure to try at least once to discourage the attempt to resign. The Premier was, to speak the truth, determined to remain in office before visiting Prince Saionji. In anticipation of the genro's negative answer, Saito proposed resignation.

Prior to his visit to the genro the Premier had a consultation with two other senior members of the Cabinet, namely, Finance Minister Takahashi and Home Minister Yamamoto with regard to the question of the resignation. Finance Minister Takahashi is in nature quite optimistic; naturally he had quite an optimistic view of the future of the Cabinet, and besides, he has quite a high opinion of his own financial policy, though his "non-policy" is only too apparent to cool outside observers. To the capitalists of the country he was a god of mercy and was worshipped as such. To be worshipped as an idol was a source of great contentment to this capricious old statesman. The capitalists would egg him on stating, "If you retire at this time the country would be buried under pitch-darkness," and the Finance Minister would resolve at heart to continue

(Continued on page 431)

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For further information apply to the Traffic Manager of the two Lines at Shanghai North Station.

Shantung and Fukien---Japan's Next Objectives

BY C. Y. W. MENG (孟 昭 華)

WHEN the Three North-Eastern Provinces (Manchuria) were invaded, occupied and lost to the invaders, Jehol, Chahar, Hopei were all exposed to danger; the former were eventually lost, while the latter was "demilitarized" and was made virtually no longer a Chinese territory, the occupation of which by the invaders only awaits their will. When Jehol, etc., were lost, the invasion of Shantung and Fukien begins. This is because the Japanese aggressive and military action in China is organized and systematic, and the invasion of the Chinese territory takes place always one after the other, in accordance with the time and the then existing situation. This not only gives the Japanese an advantage to rest when they are tired, and to refresh themselves for fresh action with sure success when they have prepared for it, but also such action would not be so conspicuous as to arouse the Chinese nation-wide indignation, as the Japanese could easily cover themselves, under the pretense of said matters being "local affairs" only.

We remember well how the so-called "Shantung question" was once one of the burning questions between China and Japan; how the Sino-Japanese war on "Tsingtao" was staged and fought in the Paris Conference; and how the issue was at last settled only as result of the change of the international situation and the changes of the party in power in Japan. We remember well also that during the Northern forward-march of the Nationalist Army under the command of General Chiaag Kai-shek, how the Japanese interfered and blocked the advance of the nationalist army, and the latter had to go in a round-about way to reach Peiping, thus reviving the old Sino-Japanese Shantung question, now known as the "Tsinan tragedy" of May 3, 1926, which was eventually settled, but only after many years of negotiations.

Fukien Province, lying South-west on the China coast, and adjacent to Japanese-owned Formosa, is another Chinese province which the Japanese have always had designs on. Article 3 of Group 5 of the notorious "21 Demands" provides that "In view of the relations between the Province of Fukien and Formosa and of the agreement respecting the non-alienation of that province, Japan is to be consulted first whenever foreign capital is needed in connection with the railways, mines and harbor work (including dockyards) in that Province." That is to say when we discuss about the Japanese military action in the North, we never think that the Japanese action would be confined to the occupation of the northern provinces. On the contrary, we know well that the Japanese bombardment of Shantung and Fukien is only a matter of time.

Signals of Armed Invasion

It has been a practice of the invaders that before they actually open an offensive on Chinese territory, the Japanese military action is always preceded by such actions as the opening of various kinds of "societies" to enlist the discontented Chinese, the "buying over" of the Chinese traitors and giving them every assistance and instigating them to make trouble for the Chinese authorities. When the time is ripe, the Japanese bombardment begins—of course, under the pretext of protecting the Japanese citizens.

Invasion of Fukien—The "Opposite Shore Conference"

General Li Chi-chun, a bandit-leader and one of the most grey generals in the country, who made a great deal of trouble for the Chinese authorities in the territories, adjacent to the demilitarized zone under the Japanese patronage was reported to have been sent to Fukien some time ago. The Japanese also sent well-trained Japanese young men to Foochow, Amoy, Swatow and Canton. A large group of Japanese has been making repeated requests to the authorities for a pleasure tour in the province. Many of them, it was said, visited the interior without passports. Their object, as pointed out, is to make a detailed survey of the strategic places. Recently an important Japanese visited Yanping, Kienow, Yungan and Shhesin, and conducted a secret survey. He was arrested by a gendarme in Yenping and was escorted to Foochow where he was extradited to the Japanese. It was also reported that the Japanese fishing boats have been making similar surveys along the coast.

In Amoy, the Japanese have organized an "Asiatic Alliance." Their chief preaching doctrine is "the Yellow Race to help the Yellow Race." In Formosa the Japanese have organized the so-called "Eastern Religious Society" to enlist the Chinese in Formosa and the Chinese people in Fukien and Kwangtung, largely of the ignorant class, who could easily be instigated to start the trouble, by a word or two from the agitators.

A Conference (known as the "Opposite Shore Conference") of Japanese consuls in Foochow, Amoy, Shanghai, Swatow, Canton was called in Formosa to discuss the situation. While it is not yet possible to know the result of the Conference, we are nevertheless, informed that the Conference approved the following resolutions:—

1. To organize a commercial confederation of the Japanese companies and interests in South China.
2. To bring strong pressure to bear upon the Chinese authorities to put an end to the anti-Japanese boycott movement in Fukien and Kwangtung.
3. To develop the Japanese fisheries along the sea coast.

The Japanese consul in Amoy is said to have petitioned the Tokyo Foreign Office to send more armed police for duty in Amoy and to demand that the Fukien Provincial Government suppress anti-Japanese papers in Amoy and Foochow. It is to be noted that the suppression of the anti-Japanese boycott and anti-Japanese papers in Shanghai was one of the chief causes which at last caused the Japanese naval forces to run amok in 1932 and caused the Sino-Japanese "undeclared war" in Shanghai. So, such incidents should not be regarded as small ones.

Another report from Foochow dated April 29 has it that as regards the situation along the South China coast, the Japanese adopted a policy of "watchfulness and supervision of the Chinese actions." A squadron of Japanese gunboats from Formosa has already been dispatched to Hongkong and Swatow. One Japanese cruiser has already reached Mamoi.

Occupation of Mamoi and Amoy Predicted

Another report has it that the Japanese have already decided to start action in South China, and that "within one or two months" the Japanese forces would occupy the Forts of Mamoi and Amoy, as the "naval base" for further action. Formosa would furnish all the military supplies.

Vice-Admiral Li Shih-chia, member of the Fukien Provincial Government and Garrison Commander of the Mamoi Forts, in an interview with pressmen is quoted to have said that the situation in the South deserves a good deal of attention of the authorities and that the situation in the South is really just as serious, if not more, so than in the North.

The Canton authorities have also announced that they are quite aware of imminent Japanese attacks on the South and that they are making intensive preparations for the eventuality. That accounts for the intensive preparation and development of military forces which has been going on in the South. According to the report, out of the ammunition, including the military planes, purchased abroad, Canton takes about 80% of the total. The Japanese hands-off declaration has no concern in the South.

Invasion of Shantung—Gen. Han's Resignation

According to report, when the Sino-Japanese war was going on in the North, the Japanese made an attempt to seize Tsingtao. But due to previous precautionary actions on the part of the Chinese authorities, the trouble was nipped in the bud.

Recently, report has it that General Shih Yu-sen, General Liu Kwei-tang, two bandit-leaders, were sent to Shantung. We hear also that General Han Fu-chu, for many years the chairman of the Shantung Provincial Government, tendered his resignation a short time ago—of course, outwardly, on plea of poor health. His resignation had the effect of causing business depression in Shantung—for some of the match companies, cotton mills, etc., had to close down. Others had to reduce the mumber of workers, thus throwing no less than 100,000 out of employment. The Japanese at once grasped the chance, and professional agitators were despatched to Shantung, bringing huge sums with a view to instigating the discontented people and unemployed to make trouble. For many days Tsingtao was under martial law.

General Han's Resignation and Japanese Intrigue—Another "21 Demands" to China

General Han has been the chairman of the Shantung Provincial Government for the past many years. His administration is generally considered satisfactory by the local people, except in a few cases where he takes the law into his own hands, when he actually sits on the Bench to hear the cases, or to mete out punishments to the magistrates—punishments not provided by the law. Being a subordinate of the former "Christian General" (General Feng Yu-hsiang) who is a strong anti-Japan-ist, there is no denial, of the fact that Gen. Han's policy towards the Japanese aggressive action is one of the positive resistance, and therefore he is not liked by the Japanese residents in Shantung.

According to reports from reliable resources, the Japanese are said to have presented a series of "demands" to the Nanking authorities. Aside from demanding the opening of through

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train and postal service, the Japanese are said to have demanded the right to station Japanese forces in Tientsin; withdrawal of the Chinese North-Eastern Army (Marshal Chang Hsueh-liang's army) from Hopei; employment of Japanese capital in the development of the Peiping-Johel Railway, and the right of the Japanese to exploit the mines in the Province of Shantung and to develop the rail communications between North China and Shantung and Tsingtao. Report also has it that the Japanese have brought strong pressure to bear upon the Nanking authorities for Nanking to O.K. these demands, and that Liu Kwei-tang's ability to make so much trouble in Shantung was entirely due to Japanese assistance, obviously for the purpose of embarrassing Gen. Han. So, in his petition of resignation, aside from pleading "poor health," he was quoted to have said that "because of his inability to suppress Liu Kwei-tang's trouble," he had to tender his resignation as a "punishment" of his fault. Apparently, on hearing these Japanese "demands," which have vital concern with the future of Shantung, the Shantung chairman must have voiced his strong opposition. But the fact that General Han at last had to tender his resignation is an irresistible evidence that the "Nanchang Conference" must have been very favorable to the Japanese demands, thus putting the Shantung chairman in a very difficult position and facing no alternative except to quit his post after many years of service.

That is to say, the Japanese are playing and applying the same trick and intrigue to kick out T. V. Soong, one of China's ablest leaders, and generally known as a strong advocate to adopt a strong policy towards Japan. There is no doubt about it that the Japanese are trying to extend their influence in Shantung, and that the Japanese are most anxious to have a chairman of a more "pro-Japanese" nature to govern the Province. General Han is a "persona non grata" to the Japanese. We should notice that through this intrigue, gradually the Japanese would be able to kick out all the Chinese leaders out of politics who advocate a more positive policy towards Japan.

Another report has it that the Japanese Post Office had petitioned the Tokyo Foreign Office to open negotiations with the Chinese for the opening of the air services between China and Japan, and the Tokyo Foreign Office was said to have instructed the Japanese consuls in Tsingtao and Foochow to approach the authorities respectively. The Japanese consul in Shanghai had also received similar instructions to open negotiations with the Chinese. The proposed air routes are: 1. Fukuoka-Shanghai Line: 2. Fukuoka-Tsingtao Line; 3. Fukuoka-Formosa-Foochow Line. Negotiation are also under way with the Chinese authorities to establish airdrome in Shanghai, Foochow, Tsingtao, etc. to facilititate Japanese planes.

"Liquidation of Old Debts"

The Japanese have again resorted to the old practice of presenting some demands to China which apparently are beyond the reach the Chinese to fulfill, so as to extract some Chinese promises on some other issues. Japan is said to have pressed Nanking for $16,000,000 out of the proceeds of American Cotton and Wheat Loan for currency reform, and that the Ministry of Finance should soon take up the liquidation of the foreign and domestic loans. The Executive Yuan once called a conference of organs concerned to discuss the method of liquidation. As soon as the matter is decided upon by the Chiang-Kung Conference in Kiangsi, the matter would be referred to the Liquidation Commission for study. That the National Government suddenly decided to liquidate the foreign and domestic loans during the time when her treasury is almost empty verifies the fact that the Japanese must have presented such demands, and that the National Government is merely obliged to take the issue as a whole in order to avoid dealing with the Japanese alone.

So it is right to say that while the situation in the North is very tense the situation in the South is equally very tense, and that the reported further Japanese military action in the North may serve as a camouflage behind which it is the intention of the Japanese to divert the attention of the Chinese to the seriousness of the situation of the south, while the Japanese themselves go on with intensive preparation for military actions in the south.

Nanking, May 7, 1934.

Eight Thousand Chinese Laborers Speed Up Work on Singapore Base

BY GEORGE K. T. WANG (王公達)

THE recent action of the British Parliament in increasing the appropriations for the three defence services by £4,765,000 represents a definite move to speed up work and strengthen the defences of the Singapore Base, originally scheduled for completion in 1937-1938-1939, but now to be completed in its major aspects by the end of 1935. The increased defence appropriation will be used for building more capital ships and airplanes, but a considerable portion will go into the Singapore Base. Approximately half a million pounds will go into the military side of the base this year covering the cost of a heavy battery and increased air-batteries, while approximately three-quarters of a million pounds will go into the naval side. The Malaya garrison also is to be increased from 1,512 to 2,333 men. By the end of the present year the British Government will have expended more than £7,000,000 on the base, leaving £4,000,000 to complete the work.

In addition to these developments and the speeding up of work on the Singapore Base reports from Australia last week told of orders being placed in England for £345,000 worth of airplanes for strengthening the coast defences of the country.

Chinese workers are now playing an important part in the hurried construction work of the British Naval Base in the Far Eastern world, at Singapore. There are altogether 8,000 Chinese laborers being employed there in the construction programme. Besides the Chinese, there are about 4,000 native Malaya and 2,000 Indian workingmen. All of these fourteen thousand men are now employed in the "Forbidden Zone" at Singapore for the consolidation of British sea power in the Far East.

This was one of the highlights in a conversation between the writer and a certain influential Chinese leader, who has just returned to Peiping from a long trip to the South Sea Islands. This leader participated in the war against the Japanese in the Northeast but, being disheartened by the loss of Jehol, and the Northeastern provinces, he went to Indo-China, Burma, the Straits Settlements, Sumatra, Java, Borneo, and the Philippine Islands. He returned with much authoritative information concerning international politics there.

The Naval Conference at Singapore

During the trip the Chinese leader managed to come into contact with Government authorities of Great Britain at Singapore. Carrying a permit specially given by British officials, he was able to make two inspection trips through the "Forbidden Zone" where construction work is in progress, and thus became acquainted with the fact that there are nearly fifteen thousand men working day and night, for the earliest possible completion of construction of the most important British Naval and Air Base in Far Eastern waters.

According to the Chinese leader, the British authorities previously had employed 5,000 men only for the construction work, the original plan calling for completion of the job by 1938-1939. But now with fourteen thousand men working on full schedule, the completion is expected late in the critical year of 1935.

Besides the naval harbor, which will accommodate many large warships, the British are further engaged in the construction of a large land airfield, and a sea airport. In these two air stations, at least a thousand war planes can be accommodated. Therefore after the completion of the naval harbor and the air base, the British position in the Far East will become invulnerable, it was stated.

Questioned by the writer about the extremely secret British Naval Conference held at Singapore several months ago, but concerning which very little has leaked out, the Chinese leader stated that according to information gained from Government circles at Singapore, the secret decisions reached at the Conference included the following items:

1. In case of emergency, the British naval authorities must do their best to protect the Singapore base and the Crown Colony of Hongkong. This is the primary work of the British Navy in the event of possible Far Eastern disturbance. It has been the basic naval policy of Great Britain ever since the Imperial Naval Conference.

2. If Japan invades North China, then the British naval forces must immediately strengthen their positions in South China, so as to protect British trade and maintain British prestige.

3. During the emergency, British naval forces in the South Seas shall establish close relations with the Dutch naval forces in the East Indies. The naval forces of the two countries should cooperate to maintain security in the Malayan Archipelago against any outside disturbance.

Turning to the subject of the alleged sale of the Island of Timor by the Netherlands and Portuguese Governments to Great Britain, the Chinese leader stated that though the details concerning this report were unknown, it was widely circulated in the South Seas that the Japanese are busily negotiating for the purchase of the mines and forestry interests in Eastern Borneo. It was not known whether these negotiations have been successful.

The Chinese leader also informed the writer that Siam is now considerably under the Japanese influence, and consequently the oppression suffered by Chinese nationals in the South Seas has been most severe within the borders of the Siamese Kingdom. Before the Mukden Incident, it was stated, there were about twenty-nine British advisers, and eighteen French advisers attached to the various departments of the Bangkok Government, but now only three British advisers, and two French advisers are left. They have been replaced by Japanese advisers, a new development since the beginning of the Manchuria issue. The present Government at Bangkok is allegedly strongly influenced by Japan through the "advisers," according to the report. It was by no means due to Siamese objection to the viewpoints of the whole world as expressed in the Lytton Report that the Siamese delegate chose to be "neutral" at Geneva. The miracle is easily explained by the fact that the Siamese representative at the League of Nations at that time had been indirectly instructed by the Gaimusho at Tokyo.

Japan's Grasp on Siam

The Japanese told the Siamese Government that "we are the two leading strong nations in Eastern Asia, and therefore we should assume the heavy responsibility of maintaining 'peace and order' in this part of the world. If the Siamese agree with us and coopertae with us, then you need not worry about the pressure exerted by the French on your eastern border, or by the British on your western and southern boundary. We Japanese will stand behind you and protect you from being exploited or swallowed up by the European imperialists. But if you don't cooperate with Japan, your small country will be occupied as rapidly as the Imperial Troops occupied Fengtien Province."

Siam was convinced, or rather that impression prevails, as the country has engaged Japanese military exports, economists, jurists, and industrialists as "advisers," attached to the Ministries of War, of Navy, Railways and Communications, Education, and many other departments in the Royal Government at Bangkok. Most of the British and French advisers were discharged to make room for them. Thus has come about a pro-Japanese Siam which has, according to report, agreed for the Jaapnese to build a canal made over the isthmus between the Gulf of Siam and the Bay of Bengal.

The Chinese leader declared that Chinese merchants in the South Sea Islands now are dealing in "dumped" Japanese goods serving as "middle men" between Osaka manufacturers and the natives in Java, Borneo, Sumatra, and so on. The first period of the prosperity of Chinese merchants in the South Sea Islands was the period of selling European goods, the second period was that of selling Chinese native goods; now Japanese goods are being sold in the present third period. The position of the Chinese merchants in the trade of the South Sea Islands is still predominant.

"Welcoming God" Demonstration Leads to Riot Near Ningpo

Three women and one policeman were killed one day last week when 4,000 infuriated villagers, including several hundred women, raided a police station in the village of Shen Ka Men, Ningpo, and after wrecking the building set it on fire. The police were compelled to open fire on the crowd to protect themselves. The trouble was caused by the refusal of the authorities to permit a "welcoming God demonstration." The authorities have posted a notice up in the village stating that the "welcoming God demonstration" was a superstitious ceremony that should be discontinued in these days of enlightenment. Should the villagers continue refusing to obey police regulations the government would send troops to the district to "break both stone and jade"—destroy all opposition. Conditions in the village have now returned to normal and in the meantime the Tragedy Rehabilitation Committee has begun its task of distributing compensation to the relatives of the dead. Policemen whose clothing was torn and whose beds were destroyed will receive the sum of $20.

Singapore Base Calls for Stronger British Navy

BY HECTOR C. BYWATER

(Reprinted from the New York Times)

At irregular intervals since 1921 Singapore has bobbed up as a frontpage news feature. Recently it attained to the dignity of streamer headlines and leaded type, because four British admirals, representing the naval might of the empire in Pacific and East Indian waters, met on board a British cruiser in Singapore roadstead to discuss matters of imperial defense.

Twelve years ago it would have been reasonable enough to lay elaborate plans for the security of Britain's vast possessions in and adjacent to the Pacific. Today such plans may be drafted on paper but they cannot be put into execution, for the simple reason that the requisite means are not available. Idealism and sentimentality combined with downright parsimony have played such havoc with the naval strength of Britain that she would be hard put to it to hold her own even in Europe if challenged by a first-class opponent.

Controversy in 1921

It was in 1921 that the creation of a new naval base at this picturesque gateway of the Pacific was first foreshadowed—by Lloyd George, who was then the Premier. A mild controversy at once arose. But in 1923 work on the new base was definitely begun, whereupon the debate as to whether the building of a great naval stronghold at Singapore was strategically necessary or politically expedient became much more lively.

In the interval events had occurred which seemed to stultify the strategical plan of which the new base was the fundament. The Washington Treaty had abolished the greater part of the British battle fleet, reducing it to twenty and eventually to fifteen dreadnoughts in place of the forty or more such vessels that otherwise would have remained in commission. Since, therefore, the ships that were to have formed the backbone of Britain's Far Eastern Fleet no longer existed, it seemed superfluous to provide a great naval base for this phantom armada.

Nevertheless, for reasons never adequately explained, the government of the day decided to proceed with the scheme, though in a somewhat modified form. A floating dock large enough to take the largest battleships built or likely to be built was to be sent out to Singapore; a mammoth graving dock to accommodate two superdreadnoughts at once was to be excavated, and the repair shops and other appurtenances of a big naval dockyard were to be erected, together with the gun batteries and air stations necessary for the protection of the whole.

The Veto by Labor

So the work went on at a leisurely pace for twelve months. Then the first Labor Government took office, and one of its earliest acts was to veto the whole Singapore business. British public opinion showed little excitement, but Australia and New Zealand were furious, both having come—somewhat optimistically, it is to be feared—to regard the new base as a guarantee of their future safety. All work at the dockyard was suspended for a year; then the Labor Government was thrown out and its Conservative successors told the Singapore contractors to go ahead again.

Before examining the pros and cons of the Singapore scheme from a naval point of view, let us cast a glance at Singapore itself. Some one once said you could almost kick your hat from Singapore to the Equator. Geographically, Singapore forms the appendix of the tongue of land comprising the Malay States. Technically still an island, it is physically joined to the Malay Peninsula by a road and railway causeway bridging the Strait of Johore.

After London, Liverpool and Hongkong, Singapore is now the largest port in the British Empire. It is unquestionably one of the world's strategic key positions, being five days' steaming from India on the one hand and five days from Hongkong on the other. Clustered about it are the Dutch East Indies—one of the greatest natural treasuries of the globe—and Borneo.

To Singapore as the principal port of call in Middle Asia come argosies laden with every imaginable commodity and luxury: tin, rubber and other products from Malaya: silk, fruit, pottery and cereals from China; hardware, fabrics and fancy goods from the roaring factories of Osaka, Kobe and Nagasaki, frozen meat and wool from Australia.

The Traveler's Impressions

The traveler approaching Singapore receives a confused impression of many islands fringed by forest and jungle running right down to the water's edge, seen through a shimmering heat haze. Doubtless the casual wayfarer who has looked in at Singapore thinks of the new naval base in terms of Keppel Harbor, where a dockyard has existed for many years. Actually, however, the new stronghold is on the other (northern) side of the island, nearly fifteen miles from

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The site was originally primeval jungle, mangrove swamp, and poisonous, steaming mud, tenanted by serpents and crocodiles. Before any serious work could be started it was necessary to deal with the mosquito pest, for the district was a hotbed of malaria.

It is in these uninviting surroundings that a great British naval base is being laboriously constructed. The felling of numberless trees and the extirpation of their immense roots, dredging on a gigantic scale, and the driving of countless piles to provide a foundation for the permanent works were the essential preliminaries.

Hundreds of swampy acres have had to be drained and rivers dammed and bridged before the construction of docks, workshops, magazines and batteries could begin. All this is now done, or nearly done, and the naval base proper is taking shape, though it will be three to five years before the whole scheme is completed. And when it is completed, when then?

A Powerful Navy Yard

England will have at the gateway of the Pacific a navy yard capable of docking and repairing several of her largest warships at one and the same time, with oil tanks to replenish their bunkers and ammunition dumps to restock their magazines. But where are these warships to come from? With only twelve battleships permanently in commission—the other three are laid up for repairs at any given moment—in British home waters and the Mediterranean, there will be few if any to spare for the Pacific. It is four years since the huge floating dock was towed from England to Singapore, and so far the largest warship to enter it is a 10,000-ton cruiser.

The whole trouble about the Singapore base is that it was conceived when Britain had a two-power navy and will be completed when she will have barely a one-power navy. That its completion will add appreciably to British strength in the Far East is questionable. By many British naval officers the new base is regarded as a liability rather than an asset. Were friction to develop with an Asiatic power, Singapore, already a tempting prize in itself, might become with its brand-new dockyard and other naval works an irresistible magnet. And since *Hongkong could not be defended* for long—its defense requiring a fleet at least twice as strong as any that could be despatched from Great Britain under present circumstances—the enemy would concentrate on the reduction of Singapore for the same reasons that impelled the Japanese, in their war with Russia, to concentrate on the capture of Port Arthur: namely, to deprive a relieving fleet of sanctuary on its arrival in the war zone.

Singapore is very lightly held at present, and there is no evidence that its defenses are in a condition to withstand heavy attack. General Ian Hamilton fears—and many of his countrymen share his fear—that in building the Singapore base England may be fitting out a half-way house, and then, half garrisoning it as is her wont, making a present of it to the wrong people.

I have mentioned the belief current in Australia and New Zealand that the new base at Singapore constitutes a barrier against their invasion. That belief might be warranted if the empire were in a position to maintain a formidable battle fleet at Singapore; but, as we have seen, the battleships, cruisers, and other craft necessary to the creation of such a fleet do not exist. Consider, too, the immense distances which divide Singapore from the Australasian ports which it is supposed to protect.

From Fremantle, the nearest Australian harbor, it is 2,400 miles; from Sydney and Melbourne nearly 5,000 miles, and from Wellington (New Zealand) 5,300 miles. No naval strategist imagines that the presence of a United States fleet at Hawaii would deter Japan from attacking the Philippines in the event of war, yet Singapore is as remote from the richest Australian ports as Honolulu is from Manila.

I do not suggest that the new base at Singapore is without value. Should the British Navy at some future time recover a substantial proportion of its former strength, Singapore may yet become the headquarters of a really powerful squadron, the existence of which would be a definite bulwark of peace in the Far East. Strategically, however, Britain's main citadel in Eastern waters is Hongkong, which existing treaties do not permit her to equip with up-to-date defenses. If both Singapore and Hongkong were adequately fortified, and if Great Britain could spare eight battleships and their proper quota of auxiliary craft for permanent duty "east of Suez," the danger of war in the Far East would recede into the background.

A "Challenge" to Japan

From the political point of view its reactions have been unfortunate. When the scheme was mooted Japan at once took umbrage. She saw, or professed to see, in the new base a gratuitous challenge to her own security. On the face of it there are slender grounds for any such apprehension. No American considers Gibraltar as a menace to New York, though the distance between the Rock and Sandy Hook is approximately equal to that from Singapore to Tokyo. Nevertheless, the Japanese press "went in off the deep end," and to this day Singapore is used as a trump card in big navy propaganda. That it has had an unhappy effect on Anglo-Japanese relations is undeniable.

Surely the wiser course would have been to modernize the existing naval works at Keppel Harbor, adding a floating dock large enough to take the largest men-of-war. This could have been done quietly, and probably would have evoked no more attention in Japan than the development of the United States base at Pearl Harbor, Honolulu, has done.

Unpalatable as the admission may be, the good-will of Japan plays an important part in the security of the British commonwealth of nations. Such naval forces as Britain could muster in the Pacific at short notice would be quite incapable of shielding our farflung territories and our floating trade in that sphere. On any given day of the year $800,000,000 worth of British ships and cargoes are afloat in the China Seas Australiasian waters and the Indian Ocean. Yet the utmost force Britain could deploy anywhere within that area does not exceed a dozen cruisers half of them obsolete—with a flotilla of destroyers and one of submarines.

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Singapore Air Force to Be Greatly Increased

An essential part of plans for the equipment of the new great naval base in Singapore will be an increase in the Royal Air force strength, a special message from London in the *Japan Chronicle* April 29 pointed out. At present, the Singapore air strength consists of two torpedo-bomber squadrons and one squadron of flying boats. The ultimate air strength is likely to amount to at least six squadrons. There is interest in the choice of aircraft indicated in the present equipment of the base: Flying boats for long distance reconnaissance; torpedoplanes for attack on enemy warships while they are still some hundreds of miles away.

An effective form of aerial attack on the surface ship is diving-bombing, which brings the assailant down almost vertically in a few seconds from a height of 12,000 feet or more to, say, 3,000 feet, at which height the missile—a bomb of 250 or 500 pounds weight—is dropped. The accuracy of this method of aiming is amazing. And significance may not unjustly be attached to the recent appointment to headquarters at Singapore of the Far East Command, R.A.F., of Squadron-Leader R. A. George, formerly in command of No. 33 Squadron of the Home Defence Force, who has been engaged for the past two years in developing the new technique of diving bombing.

This method of bomb-launching is intended primarily for attack on naval vessels. The airplanes approach at a great height and dive at speeds of 300 miles an hour or more towards their target. At the bottom of the dive they begin, with the help of the energy stored in the drop, a rapid climb back to a safe height. The whole operation lasts only a few seconds; the task it imposes on the ship's gunners is onerous indeed.

The speedy 113-foot *Aquarius* refuelling ship, on which "Lawrence of Arabia" worked for several months under the name of T. E. Shaw while it was being built at Northwich, departed from England May 1 for Singapore. The *Aquarius* will be assigned to the No 205 (Flying Boat) Squadron at Singapore.

Kansu Province Sponsors Large Cigarette Factory

In order to promote the Chinese tobacco industry in the Northwest, the Kansu Provincial Government and local business leaders are now organizing a large-scale rolled tobacco (cigarette) company in Lanchow. The capital of the company has been fixed at $100,000, which will be devoted mainly to the purchase of machinery for manufacturing cigarettes. Experiments with cultivation of tobacco leaves in Kansu have proved successful and it is expected that by this time next year the company will be able to place its manufactures on the market.

Opium Dens in Hankow Suspend Business

Under strict orders of the provincial authorities, all opium dens in Wuchang, Hankow and Hanyang have suspended business. More than 3,000 such houses are affected. Li Chi-hung, Director of the Opium Prohibition Bureau in Hupeh, proceeded to Kuling to make a personal report to General Chiang Kai-shek on the enforcement of the prohibition order.

A Kaifeng dispatch May 6 stated that military force will be applied in ridding western Honan of opium-poppy. Whereas the northern and eastern parts of the province have already been cleared of poppy planting, the evil still persists in western Honan, an order of the Honan Provincial Government states.

General Chiang Kai-shek has issued a circular order to the provinces instructing that no person under the age of forty is allowed to smoke opium and that those who smoke in open defiance of the order would be subject to severe punishment by the local authorities.

The Kiangsu water police at Chinkiang in the night of May 8 seized 199 packages of opium, weighing 11,090 ounces, from the steamer *Kungbo* when she arrived there from Hankow.

How Munition Makers Boost War Fever

Facts indicating that European munitions manufacturers constitute the most serious menace to peace are cited in the March issue of the magazine *Fortune*. Specifically, *Fortune* reports evidence that the French armament firm of Schneider-Creusot,through its Czechoslovakian subidiary, Skoda, "promoted the rise of Hitler in Germany and contributed money to Hitler's campaign," and that "leading munitions-makers in France and Germany united in their support behind Hitler because they knew him as the one man most capable of stirring up a new outbreak of international anarchy in Europe."

Fortune's survey considers not only the armament situation in France, but likewise the influence of the firm of Vickers Armstrongs in England, Krupp in Germany, Mitsui in the Far East and several armament firms in the United States—principally the Bethlehem Steel Company.

"The sun never sets upon Vickers," the article continues. "It has its factories in Rumania where, for greater convenience, Sir Herbert Lawrence, the chairman of Vickers-Armstrongs, is a director of the bank of Rumania (and Vickers to some degree allies itself with the Czechoslovakian armament firm of Skoda). In Italy it Latinizes its name to Societa Vickers-Terni; in Japan it has as a subsidiary, the Japan Steel Works, and thus allies itself with the Japanese armament and industrial firm of Mitsui. There are Vickers factories or subsidiary companies in Spain, Canada, Ireland, Holland, and New Zealand." *Fortune* points out that among the prominent shareholders of Vickers or allied concerns in 1932 were Rt. Hon. Neville Chamberlain, Chancellor of the Exchequer; Sir Austen Chamberlain, M.P., winner of the Nobel Peace Prize in 1925; and Sir John Simon, Secretary of State for Foreign Affairs (but who sold out his shares last year).

As to Schneider-Creusot, one of the members of the Comite des Forges, the article states that it controls many French companies manufacturing heavy ordnance, machine guns, tanks, shells, ammunition, and warfare chemicals. Charles Prosper Eugene Schneider, its head, is likewise the head of the Union Europeenne Industriale et Financiere, a large holding corporation which controls 230 armament and allied enterprises outside France, including Skoda in Czechoslovakia.

"Political France and political Germany may be at constant swords's points, the Polish Corridor may inflame the Nazis, France may quiver at her lack of security from another nothern invasion—but the lion and the lamb never lie down together with more good fellowship than these French, German, Czech, and Polish gentlemen when they come together to discuss, as fellow directors, the problems of increasing Europe's consumption of armaments," says the article.

Roosevelt to Spend $50,000,000 on Submarines and Destroyers

A *Tass* telegram from Washington April 30 reported that President Roosevelt intends to use U.S.$50,000,000 from tho public works fund for the construction of submarines and destroyers. This fact, and also the gigantic naval maneuvers in the area of the Panama Canal, as well as the careful preparations for the study of the Aleutian Islands, evidently form Washington's answer to the Tokyo declaration. An editorial of the Scripps-Howard newspapers, devoted to the situation in the Far East, congratulates the Government on its "cool diplomacy" and states that the Far Eastern situation, which is acquiring ever more serious character, demands an exceptionally able handling.

U. S. and British Air Plane Makers Help Germany to Arm

The *N. Y. Nation*, American liberal journal, May 4 stated that three Americans are now in Berlin, representing United States firms which are helping Germany, to build the best air force in Europe. The German Government, it is stated, has filed orders with British and American companies for special parts required for the construction of 2,500 modern bombing and pursuit planes, and that the delivery of these orders has already been effected in part. Germany is proceeding with her re-armament in all haste, and the firms in the United States are regularly receiving cables from Germany urging them to speed up the delivery or orders.

Soviet-Polish Non-Aggression Pact Prolonged

Commissar Litvinov, and the Polish Ambassador to the U. S. S. R., M. Lukasevitch, May 5 signed the protocol of prolongation of the non-aggression pact between the Soviet Union and Poland until the end of 1945.

Radical Chinese Group in New York Attacks Harold R. Isaacs

China Today is the name of a monthly journal published at 168 West 23rd Street, New York, by a Chinese group with Soviet leanings. The contents are entirely mimeographed. It printed in its April issue a "special notice" attacking Harold R. Isaacs, who recently suspended publication of the *China Forum*. The New York group comments that Isaacs "has for reasons of his own decided to betray the valiant fight of the Chinese masses against imperialistic attacks." The "Friends of the Chinese People," publishers of *China Today*, say they do not any more find sufficient ground for a cooperative contact with Isaacs, and will therefore consider him as one who is not a sincere supporter of the Chinese people in their struggle for national liberation.

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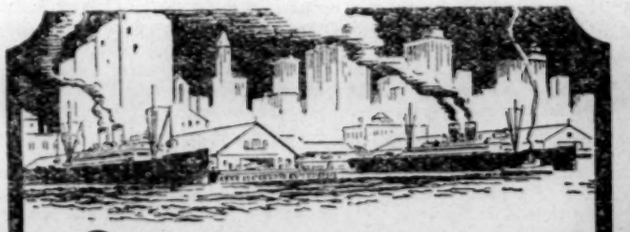

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Cocoon-Merchants Need Money to Purchase Stocks

BY PAUL K. WHANG (汪仲芳)

THE approaching cocoon season has found our silkmen and cocoon merchants in a desperate state. For three long years they have fought unflinchingly with the grim spectre of business depression, and have rapidly lost their ground in face of a formidable enemy. Many of them have long since admitted their defeat and given up their battle. Only a very few whose high hopes and spirits have not been overshadowed by the dark outlook have been able to stick to their guns in spite of the heavy odds against them. But these very few are now also in a state of physical and financial exhaustion and will surrender themselves at any moment.

At the time when silk business was prosperous, the cocoon season was looked upon as the great event of the year in Central China, and its coming would be attended with great activities among silkmen, cocoon merchants, bankers and farmers. News of cocoon crops in different districts was eagerly sought by those who were interested in the silk industry, and representatives were sent to cocoon-producing districts to investigate the conditions on the spot. Silkmen and cocoon merchants were enthusiastic in making arrangements for the purchase of cocoons. Bankers vied with each other in extending loans to cocoon-purchasers. And farmers temporarily gave up their agricultural pursuits and devoted all their attention and energy to the cultivation of silk worms.

But what a great contrast we have this year. The coming of the cocoon season is virtually unnoticed and unheralded. Silkmen and cocoon merchants are literally at the end of their rope, and have not the wherewithal to purchase cocoons. Bankers have turned their back on cocoon-purchasers and declined to advance money with either cocoons or silk as security. And farmers have been worrying if they can find buyers for their cocoons, and therefore have drastically curtailed their production. Reports from Wusih have stated that the egg-sheets, which were sold at $1.20 each two years ago, are now quoted as low as $0.70 each, and that in spite of this low price, there are only a few buyers.

When times were as normal, the cocoon-purchasers could secure loans from bankers by giving a 20% cash deposit. This accommodation given by the bankers enabled men of small means to purchase cocoons from farmers. As a matter of fact, practically all silkmen and cocoon merchants are men of small means, and they have relied on this banking accommodation to carry on this silk business. Once this banking accommodation has been cut off, they are left in a helpless position and have to give up their business.

Sericulture No Longer Profitable

It must be noted that in the last few years, owing to the low prices offered for cocoons, sericulture has no longer been considered as a profitable business. It has been a fashion among the farmers to convert the mulberry fields to some other agricultural purposes. As a result, the cocoon production in Central China has been decreased year after year. The curtailment of cocoon production has not given any relief to this situation, as the demand for cocoons has become even smaller, while the prices offered have not been high enough to cover the cost of production.

Such being the case, it can be easily surmised that the farmers would give up sericulture altogether, if they can not even find any buyers for their cocoons. In view of the fast approach of the cocoon season, we must devise some means whereby the cocoon purchasers can be given some financial accommodation with which they can proceed to the cocoon-producing districts to purchase cocoons. In this connection, it is of interest to note two proposals submitted to the Chekiang provincial government by the Chekiang Silkmen's and Cocoon Merchants' Guild. They are:

(1) The cocoon-purchasers will provide a 20% cash deposit against the loans granted by the bankers, and all the loans will be guaranteed by the Chekiang provincial government; or alternately.

(2) The Chekiang provincial government will collaborate with city governments and cocoon guilds in working out a system whereby the cocoon-purchasers can buy cocoons by issuing notes. The cocoon-purchasers will provide a 20% cash deposit and undertake to redeem these notes within two months from the date of their issuance.

The above two proposals are now said to be under the consideration of Chekiang government officials, and those silkmen and cocoon merchants who have owned or rented cocoon-purchasing stations in Chekiang are impatiently awaiting their decision. While both of the proposals have the same objective in providing the necessary financial accommodation to the cocoon-purchasers, the second proposal does not appeal to us as practical and feasible as the first one.

It is true that to purchase cocoons with notes is not a new practice. Occasionally when it has been unsafe to transport silver dollars to the inland districts either because of the war situation or of the bandit menace, the cocoon-purchasers have to use notes instead of silver dollars to purchase cocoons. The notes thus issued have been guaranteed by chiefs of the district, and immediately redeemed as soon as the transportation facilities have returned to normalcy. Sometimes, the cocoon-purchasers have opened up redeeming offices in the nearby cities and asked the holders of notes to apply for redemption, thus avoiding the risk of shipping a large quantity of silver dollars to bandit-infested regions.

But this practice has always been frowned upon by the farmers who have even preferred silver dollars to bank notes. The farmers, as a rule, have borrowed money at very high rates of interest for raising silkworms and must get their money back as soon as possible for paying back their loans. They can not afford to wait for two months to have their notes redeemed. Although arrangements can be made to make these notes negotiable to a certain extent, it, however, can not be expected that they will be generally accepted by the commercial public. Moreover, at the time when the rural economy is on the verge of bankruptcy, the farmers must get immediate returns of their labor and capital, so that they can reinvest their small capital in other agricultural pursuits.

Government Should Cooperate

Furthermore, it must be pointed out that not all our cocoon-purchasers are men of integrity and honesty. A few of the unscrupulous ones may take advantage of this situation in indulging in speculation. During the interval of two months from the issuance of notes to their redemptoin, the cocoon market may fluctuate widely in either direction. If the price of cocoons goes up, they will certainly undertake to redeem their notes without question. On the other hand, if the price goes down drastically, who can guarantee that they will not default their obligation? In case of default, the evil consequences upon the affected farmers can be easily imagined.

With these in view, we believe that the first proposal is more suitable for the present occasion. In carrying out this proposal, the government does not need to raise any money to finance the cocoon-purchasers, and what it has to do is to guarantee the loans contracted by the cocoon-purchasers. In bygone days, no such guarantee was necessary, and the bankers would be ready to extend loans to the cocoon-purchasers who could provide a 20% cash deposit. But this 20% cash deposit is not considered by the bankers now to be sufficient to cover the wide fluctuations of cocoon prices, and therefore they refuse to extend loans on the old basis.

If the government can guarantee all the legitimate loans contracted by the cocoon-purchasers, the safety of the loans in the eyes of the banker is assured. The cocoon-purchasers can get their usual banking accommodation, while the farmers can get the needed cash for their cocoons. The officials of Chekiang government in the past have been very enthusiastic in devising measures to relieve silk industry, and therefore they should give this proposal their favorable consideration.

By and large, the above two proposals are merely makeshift measures intended to tide over the present crisis. As a matter of fact, we can not arrest the downfall of our silk industry by just enabling the farmers to market their cocoons, but we must go one step further by assuring them a reasonable price high enough to cover the cost of their production. The farmers can not be expected to continuously raise silkworms, if they find that sericulture is no longer a profitable business proposition.

Thus the government must cooperate with cocoon-purchasers in fixing a minimum price for cocoons. We have been told that the farmers will be satisfied if they can get $35 for one picul of native cocoons and $45 for that of disease-free variety. But according to the present market price of raw silk, the cocoon-purchasers can not offer more than $25 and $35 respectively, thus leaving a difference of $10 in each case. For the sake of encouraging the farmers to raise silkworms and enabling the silkmen to continue the operation of their filatures, it is suggested that the government should pay this difference. Unless the government can follow such a suggestion, it seems to be useless to talk about other relief measures.

Shanghai, May 7, 1934.

Committee Studies Commercial Treaty Revision

Exhaustive discussions were held by the Committee for the Study of Commercial Treaties under the Ministry of Industry at Nanking May 4 regarding the revision of the Sino-American, Sino-British and Sino-Japanese Commercial Treaties and Sino-French Treaty re Annam. The recommendations made by the Committee regarding the Sino-American Treaty were further amended.

Experts Investigate Sikorsky Disaster in Hangchow Bay

Messrs E. F. Wei, chief of the postal department of the Ministry; Dai En-ki, vice-president and managing director of the China National Aviation Corporation; K. I. Nieh, assistant operations manager of the corporation; General P. T. Mao, until recently president of the Central Aviation Academy in Chienchiao, Hangchow; Colonel T. S. Shen, chief of the Hungjao Airdrome and senior officer in the Aviation Bureau of the Ministry of War; Mr. Horn of the Eurasia Aviation Corporation; and Colonel John Jouett, aviation adviser to the National Government, have been appointed by the Ministry of Communications to conduct a thorough investigation into the disaster to the Canton-bound China National Aviation Corporation Sikorsky amphibian which disappeared in fog over Hangchow Bay on April 10. Various Chinese newspapers have alleged that there was mystery connected with the journey of Mr. Yonemura, and the Nanking government is stated to be especially anxious to obtain the most positive proof that the plane cannot have been flown inland for delivery to communist or other forces antagonistic to the Government as has been intimated.

Reports compiled by William Grooch, operations manager, P. C. Groeger, in charge of the search by tug, the skipper of the tug "Saucy," and others, including full photographic evidence of the debris found were studied by the board. A study of the reports indicates that the trouble occurred while the Sikorsky was actually turning, 33 minutes out of Lunghwa, to return to its base because of fog, and they support belief that the lower wing of the plane may have hooked into the surface of the bay while the ship was "banking" to make its turn.

Germans to Build Airplane Factory in Yunnan?

A recent *Rengo* message from Tokyo stated that an official agreement has recently been entered into between the Yunnan provincial government, with the approval of Generalissimo Chiang Kai-shek, and Junkers in Germany, for the establishment of an airplane factory in said province. According to the report, conditions agreed between the two parties are that a factory and an aviation school are to be established in Yunnan and the German concern is to exclusively supply necessary materials for the planes and factory. The capacity of the factory proposed is 80 airplanes a year to be constructed by 15 experts invited from Germany. A few of the 80 machines estimated for the first year will be imported from Germany.

Canton to Hold Lottery to Raise Airplane Funds

In order to provide sufficient funds for the realization of its plans for aerial defence, the Kwangtung Provincial Government is contemplating the issuance of a Provincial Lottery of $10 millions. Regulations governing the Lottery are being drafted by the Provincial Department of Finance.

C.N.A.C. to Inaugurate Service to Tibet

The China National Aviation Company has received orders from the Ministry of Communications to inaugurate an air service between Szechuen and Lhasa in Tibet. It is understood that the Company will first extend the line to Sikang and, if this proves successful, the line will be extended to Tibet.

Peiping University to Establish Special Airplane Course

A special course for the study and research of the mechanical construction of airplanes is being established by the Peiyang University in Tientsin. The curriculum of the course is reported to have been mapped out and the class will soon be open to enrollment. The establishment of this course at Peiyang is regarded by foreign observers as evidencing the growing interest in aviation on the part of the Chinese students.

The inauguration of a direct Shanghai-Berlin-London air mail route, via Chinese Turkestan and Russia, which will bring East and West within three or four days of each other, was predicted by Huang Nai-shu, director-general of the Chinese Postal Service, before his departure from Southampton April 28 en route to Canada.

The French airmen, Codos and Rossi, are scheduled to start from Le Bourget at the end of the month on a non-stop flight to Tokyo in an attempt to beat their own world long-distance straight-line record of 5,690 miles.

Mille. Maryse Hilz, French air woman, arrived back in Paris April 29, after her trip to the Far East. She made the trip from Saigon in five days, 10 hours and 40 minutes, and set up a new feminine world record. The previous time, established by herself in her 1933 flight to Tokyo, was six days and 23 hours.

The Australian aviatrix, Miss Batten, who left London April 21 to fly to Australia, lost her way in the darkness of the early morning hours and crashed at St. Pauls, just outside Rome. Her machine was wrecked; a cut lip was her only wound.

Miss Laura Ingalls landed in Miami April 22 from Havana, having completed a 16,000 mile aerial tour of Central and South America, in the course of which she became the first woman to fly across the Andes.

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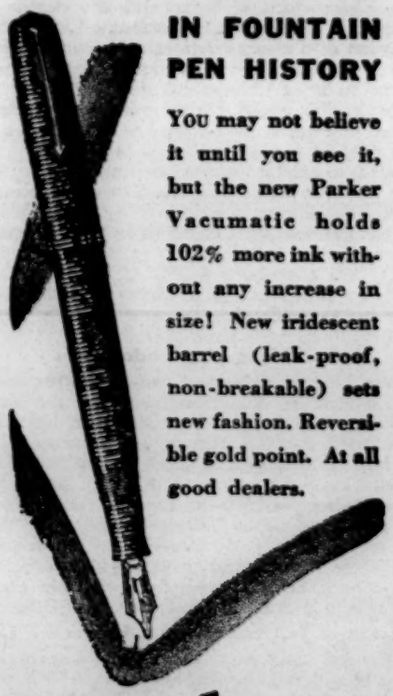

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Chinese Library Movement in 1933

BY CHIH-BER KWEI, Ph.D. (桂質柏)
Director, National Central University Library, Nanking

MANKIND moves with the times. As we survey the past year in China from the political standpoint, we are plunged into despair. The old year has not been one of hope and thankfulness, but of remorse and defeat. The country has been facing a great external foe, and the communist element has waged ceaseless and relentless warfare against the government forces. However, should one look at the situation from the general library conditions, the year 1933 is a year of hope and promise, and should at the same time be remembered because of the many interesting occurrences.

(1) National Library Planned

Ever since the City of Nanking becomes the capital of China, there are very few library facilities, to satisfy the desires of its inhabitants. Again, in view of the fact that all the important countries of Europe and America have royal or national libraries, the need of a national central library located at the seat of the Chinese Government among the many institutions of great importance is becoming most apparent. On January 20, Dr. Chu Chia-hua, Minister of Education, ordered a national central library to be established in Nanking. It is believed that this library should have these two main functions, namely (1) as a storehouse of books and knowledge, and (2) as a laboratory for study and research. Besides its direct service to readers, to government employees, it should give much bibliographic information by mail and through its publications, which may be distributed freely to institutions and serious investigators. Up to the time of writing, temporary headquarters have been found near the Ministry of Education, and plans have been drawn for a permanent home.

(2) Chinese International Library at Geneva

The Chinese International Library at Geneva came into existence in the first part of the year, as a result of the resolution adopted by the Chinese Committee for International Intellectual Cooperation. The general purpose of the library is to promote a closer educational and cultural relationship between China and the world. As conceived by the present sustaining members of this library, there are four lines of activities which the library should undertake, to wit :—(1) The dissemination of information concerning Chinese civilization ; (2) The promotion of a closer relationship between China and the world through the medium of the printed page ; (3) Assisting students interested in the study of Chinese culture ; (4) The stimulation of general interest in the world affairs in China. Aside from the above-mentonied objectives, the library has two particular functions to perform, namely (1) to cooperate with the library of the League of Nations, and (2) to exhibit Chinese publications every year during the conference of the International Intellectual Cooperation in the month of July. The library is supported by nearly 300 sustaining members and administered by a board of trustees, elected by them. Each sustaining member is expected to fulfill one of the following conditions :—(1) To contribute $4,000 Chinese currency at one instalment ; (2) To contribute $400 Chinese currency every year ; (3) To donate books amounting to approximately $4,000 or its equivalent.

(3) Yeh Hung-ying Endowment

The Chinese Library Movement gained another impetus from the liberal endowment of Yeh Hung-ying for the extension of the Jen-Wen Library, as the donor specified that his million-dollar gift should be used for the cultural and educational purposes. Mr. Yeh was born in Shanghai in 1859, and has been in business since childhood. Inasmuch as the work which has made Andrew Carnegie's name a household word all over the world is that of systematically providing public library buildings for the free use of the people, the name of Yeh Hung-ying will be recorded in the annals of the Chinese library history in aiding libraries for the benefit of his fellow countrymen. It may be reasonably expected that Mr. Yeh's example will grow in favor, as years go by.

(4) Extension of National Central University Library

National Central University, the highest seat of learning in China, possess a library building that has no superior in the country. Designed 11 years ago by Y. C. Lu of Shanghai, who was also responsible for the design of Dr. Sun Yat-sen's Mausoleum, the library was too small to accommodate the regular 1500 students of the University. The cause of its extension may be comprehended in a single movement—the movement toward research sponsored by Chancellor Lo Chia-luen. Under his leadership, the University Senate passed a resolution providing for the enlargement in March, 1933. Soon the library building committee was formed, with the authority to select an architect to prepare the plans for and supervise the extension of the building. Messrs. Kwan, Chu & Yang Company, one of the Chinese largest architectural firms, has been chosen as the winner of the design which adheres as closely to the original architecture as the use of the new building will permit. In planning for the work, the architects have laid special emphasis on the following points, (1) seating capacity for the readers, (2) seminar rooms for the different colleges, and (3) shelving space for the books. Tenders were called during the last part of May. Eighteen construction companies in Shanghai and Nanking sent in their quotations. The final decision was in favor of Messrs. Chang Yu-tai Company, under whose supervision the Shanghai Municipal Council, the Capitol and other buildings were brought to a successful conclusion. The total cost, incouding steel shelves, tables, chairs and so forth, amounted, to nearly $132,000, and the whole buildnig was ready for occupation toward the end of the year. It can now be stated that the library of the National Central University is adequately and appropriately housed as any university library in the world.

(5) Publication of Rare Classics

One of the most significant steps taken by the Ministry of Education under the guidance of Dr. Wang Shih-chieh is the publication of the Chinese Four Treasures, commonly known as the *Ssu Ku Ch'uan Shu*. In accordance with a recent resolution of the Executive Yuan, the Ministry of Education has concluded with the Commercial Press at Shanghai an agreement for the printing and publication of this great work. The Commercial Press will undertake to print 300 sets of the collection, of which 30 sets will be presented to the Ministry of Education. The type-setting and printing, it is expected, will require about two years for completion. All the cost of printing and publication will be borne by the company but the copyright will however remain vested in the Central National Library under the Ministry. It may be of interest to note that this literary giant was undertaken under the personal direction of Emperor Ch'ien Lung. In 1772 the emperor decreed that every known book should be brought together in the capital. Every official had been instructed to search and send all books to Peiping—then capital of the country. After indefatigable labors extending over ten years, a total of 36,000 volumes was collected, dealing with subjects ranging over the whole field of human knowledge. Seven hand-written copies of this stupendous collection were then made by expert calligraphists and for the preservation of these copies, seven library buildings were established in various parts of the country,—two of them being in Peiping, one each in Mukden, Jehol, Yangchow, Chengkiang, and Hangchow. Of these seven sets, four have since been either lost or destroyed as a result of military disturbances. The publication now being undertaken by the Commercial Press is based upon the set which was formerly preserved in the Peiping Palace Museum and has since been removed to Shanghai. It is understood that the first print will consist of nearly 300 different works which are no longer avialable in other forms, and Chinese paper will be used exclusively for the printing.

(6) Formal Opening of National Tsing Hua University Library

Tsing Hua College was founded in 1911 as the result of the action of the United States Government in remitting to China a sum of $10,785,286 U. S. currency of the Boxer Indemnity. It was originally intended to be a preparatory school for training selected students to be sent to America to carry on advanced studies. Since 1925, a new policy of university development has been adopted. The library of the University is just as old as the University, and had not a separate building until 1916 when Chancellor Chow I-chun decided to build a building. It took nearly three years for the whole work to be completed. Owing to the new policy of the University, the library becomes increasingly important. In 1929 under the able administration of Dr. Lo Chia-luen, the original building was too small to be of adequate use. Actual extension work was started in March, 1920, and the formal opening of the whole library took place on April 28, 1933, the 22nd birthday of the University. The rapid growth of college and university libraries points clearly to the fact that the value of the library to the teacher as well as to the student is now widely recognized.

(7) Second Chinese Library Association Conference

Chinese librarians have organized in various ways for mutual aid, for the discussion of questions bearing on their work, and, incidentally, for social intercourse. The Chinese Library Association was organized in 1925 to bring together those employed or interested in library activities for the consideration of problems common to all. The first conference was held in Nanking from January 29 to February 1, 1929 inclusive. There was no subsequent meeting until last year, when members of the association met from August 28 to 30 inclusive, in the National Tsing Hua University, Peiping. Among the many adopted resolutions, there is one which deals with the library training. It runs, "Resolved that national universities be requested to conduct library courses in 1934." This is emphasized becaues of the fact that there is no library school in China which has a good record in the past, except the Boone Library School at Wuchang, partially conducted by the China Foundation.

(8) Formal Opening of Canton Municipal Library

Hitherto very slight attention has been given to the public libraries for the general public, as libraries were regarded solely as

ools of the scholar. All this has undergone change. Though the voice of the past is still heard, it is heard less frequently. The best example is the establishment of the Canton Municipal Library. In 1927 when Ling Yun-hai was the mayor of Canton, he realized the need of a public library for the dissemination of Dr. Sun Yat-sen's ideas and ideals. The Canton Municipal Council passed a resolution to the same effect on June 22 of the same year. Subscriptions for this worthy cause were solicited; and the Canton Municipal Government promised to increase the total amount to one million dollars for the building and for the equipment. In the spring of 1920, the cornerstone was laid, and the formal dedication ceremony was held on October 19, 1933. The library occupies a site of 18,200 square feet, with a shelving capacity for 18,500 volumes. More than two hundred fifty persons can be accommodated at the same time. According to the modern library idea, this library can be called the first public library in China, supported by the public funds, and is exerting considerable influence.

Conclusion

The modern library movement in China is largely a development of the present century, with a history of less than a generation. It is an evidence as well as an outgrowth of the scientific spirit. Most progressive institutions today have libraries of some kind. The growing interest in improved library methods, in the direct assistance which the library offers in developing intelligent output, and in the research, promises for it a still wider extension. In a word, libraries in China have much to accomplish, but there is yet much to be tried and to be proved. The bounds or limitations of the library as a social force are not within any man's ken. The future is filled with promise, and library administration offers a career to all those who would be custodians of books, who are imbued with a spirit of service and sacrifice.

Nanking, April 28, 1934.

UNDERLYING CURRENT OF JAPAN'S POLITICS AS SEEN BY FOREMOST CRITICS

(*Continued from Page 420*)

displaying his merits until death knocks at the door. Naturally, he made no hesitation to insist on remaining in power when the Premier sounded his intention concerning the resignation.

Unlike Takahashi, Home Minister Yamamoto is modest and retired in nature and it was his wish to quit the office. But when asked by the Premier about his opinion as to the timeliness of the resignation of the Cabinet, he had lost enthusiam to stick fast to his original intention; thus his attitude was lukewarm, giving no positive support or objection to the idea of staying.

During the session of the Diet the Premier would say that he would resign following the adjournment of the session, but when it had been brought to a closure he changed the decision for reasons not quite clear to me. Of course there may be many causes for his having come to stay, yet it is a fact that he is by nature a politician who "clings to a miserable life." It is recalled how irrsolute he was at the time he quit the post as Governor General of Chosen. Among the matters influencing Saito most in his effect to remain in office were the bureaucrats around him.

To put the whole circumstances into a nutshell, Premier Saito with feigned ignorance, intimated to the genro a wish to resign, and, upon being exhorted to stay as was expected, shifted upon the shoulders of Prince Saionji entire responsibility relative to his having come to remain in power, broadcasting that it was entirely in obedience to the wishes of the genro that he reconsidered his resignation. Viscount Saito looks like an honest old man, but in fact is an old bird well trained in such an art.

Swedish Match Trust Negotiates With Japanese

The Japanese Department of Commerce and Industry has been busy of late consulting leading Japanese match manufacturers and exporters with regard to proposals to divide the match markets of the world between Japan and the Swedish Match Trust, made by a representative of the Trust who is now in Japan. The Swedish representative proposed an agreement on prices and quantities for all nations except Persia, Ethiopia and France, where the match business is a monopoly.

Labor Day Appropriately Celebrated in China

Labor Day was observed at Nanking May 1 at a memorial service at the Y.M.C.A. which was attended by over 200 representatives of labor unions at the Capital as well as official and public bodies. Addresses were delivered by representatives of the Nanking City Party Headquarters and the Nanking Municipal Government. It was emphasized that the only fitting commemoration of the day would be redoubled efforts for the productive reconstruction of the nation and the consolidation of the national vitality. According to a Peiping message, Labor Day passed off quietly in the northern city, adequate precautionary measures being adopted by the local police and military authorities.

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Japan's Trade with China

The following figures show Japan's trade with China during the one month ended January 31, 1934 and 1933.

	Exports from Japan		*Imports into Japan*		*Total Imports and Exports*	
	January 1934 *Yen*	*January* 1933 *Yen*	*January* 1934 *Yen*	*January* 1933 *Yen*	*January* 1934 *Yen*	*January* 1933 *Yen*
Manchukuo	4,014,000	3,545,000	14,343,000	16,269,000	18,357,000	19,814,000
China	6,109,000	7,554,000	9,973,000	10,722,000	16,082,000	18,276,000
Kwangtung Province	14,192,000	11,743,000	1,495,000	1,646,000	15,687,000	13,389,000
Hongkong	1,890,000	1,490,000	145,000	104,000	2,035,000	1,594,000
Total	26,205,000	24,332,000	25,956,000	28,741,000	52,161,000	53,073,000

By Months	*Exports* 1934 *Yen*	1933 *Yen*	*Imports* 1934 *Yen*	1933 *Yen*
January	26,205,000	24,332,000	25,956,000	28,741,000
Total	26,205,000	24,332,000	25,956,000	28,741,000

Japan's Total foreign trade for the Twelve months ended December 31, 1932 and 1933 was as follows:—

	1933 *Yen*	1932 *Yen*
Imports	1,917,219,000	1,431,461,000
Exports	1,861,045,000	1,409,991,000
Total	3,778,264,000	2,841,452,000

The following figures show Japan's trade with China during the Two months ended February 28, 1933 and 1934.

	Exports from Japan		*Imports into Japan*		*Total Imports and Exports*	
	Jan.-Feb. 1934 *Yen*	*Jan.-Feb.* 1933 *Yen*	*Jan.-Feb.* 1934 *Yen*	*Jan.-Feb.* 1933 *Yen*	*Jan.-Feb.* 1934 *Yen*	*Jan.-Feb.* 1933 *Yen*
Manchukuo	8,993,000	8,431,000	29,470,000	33,136,000	38,463,000	41,567,000
China	13,738,000	17,632,000	19,525,000	19,129,000	33,263,000	36,761,000
Kwangtung Province	33,484,000	27,415,000	3,112,000	3,170,000	36,596,000	30,585,000
Hongkong	3,927,000	3,117,000	276,000	324,000	4,203,000	3,441,000
Total	60,142,000	56,595,000	52,383,000	55,759,000	112,525,000	112,354,000

By Months	*Exports* 1934 *Yen*	1933 *Yen*	*Imports* 1934 *Yen*	1933 *Yen*
January	26,205,000	24,332,000	25,956,000	28,741,000
February	33,937,000	32,263,000	26,427,000	27,019,000
Total	60,142,000	56,595,000	52,383,000	55,760,000

Japan's Total foreign trade for the One months ended January 30, 1932 and 1933 was follows:—

	1934 *Yen*	1933 *Yen*
Imports	144,832,486,000	173,618,062,000
Exports	128,288,210,000	107,399,056,000
Total	273,120,696,000	280,017,118,000

British Chamber of Commerce Journal April, 1934.

Strife in Presbyterian Fold---New York Backs Old Mission Board

The Presbytery of New York, at its annual spring meeting several weeks ago, pledged anew its support to the official Board of Foreign Missions of the Presbyterian Church. It is learned that while an Independent Presbyterian Board with headquarters in Philadelphia is seeking incorporation under the laws of Pennsylvania, the more than a century old recognized Board of Foreign Missions is seeking legal opinion which is expected to show that no money donated for Presbyterian Foreign Missions can be diverted to any other channel. The secretary of the Independent Presbyterian Board for Foreign Mission is the Reverend Charles J. Woodbridge, who recently returned to the United States from French Africa, where he was a missionary of the official board to accept the new office. The new board grew out of the controversy over Mrs. Pearl Buck, novelist, who was a Presbyterian missionary in China. Mrs. Buck subsequently resigned. Since then much of the criticism by the Fundamentalists or conservatives has been centered on Dr. Robert E. Speer, the senior secretary of the board.

A resolution was passed by the New York Presbytery recording, among other thing, its confidence in the Board of Foreign Missions.

Who's Who in China

Yang Lien, Government official; born at Anyao, Szechuan, 1897; graduate of the Chi-Chuan Middle School, Chengtu and of the Chengtu Foreign Languages College; later he attended the National Peking University at Peiping, majoring in education, and was graduated in 1924 with B. A. degree; prior to his entering University, he taught for two years in various schools in Chengtu and after graduation, he taught at several schools in Peiping; in 1926, he was invited by General Chen Tiao-yuan to organise the Pengpu Middle School, of which he became principal for half a year; appointed secretary of the Department of Educdtion of the Chekiang Provincial Government, 1927 and later became Dean of the Chekiang Provincial First Middle School at Hangchow; was commissioned by the Chekiang National University to go to the United States to investigate education in 1929 and after completing his mission, he entered the Teachers' College of Columbia University as a special research student on international education and was conferred M. A. degree upon graduation; he was then appointed by the Ministry of Education to investigate education in Europe and America and returned to China travelling through England, Germany, France and Russia; upon his return, he was appointed Director of the Department of Social Education of the Ministry of Education; professor of education at the National Peking University, 1931; in 1932, he was appointed by the Ministry of Education to organize the Chinese Educational Mission to Europe and was charged with the duty of investigating middle school education; after studying educational conditions in England, Germany, France, Italy, Russia and four other European countries, he returned to China and was appointed an expert of the Ministry of Education; appointed by the National Government a member and concurrently Commissioner of Education of the Anhwei Provincial Government in 1933, which positions he now retains; author of the following books: "History of Western Education," "Planning Pedagogy," "Important Social Problems" and "History of Development of Primary Education in Europe and America in Modern Times" and several other books on education to be published; address: Department of Education, Anhwei Provincial Government, Anking.

楊廉字四穆
Yang Lien

楊廉字四穆。四川，安岳縣，臥龍場人。現年三十八歲。生於一八九六年，八月十七日。成都濟川中學畢業，後入成都外國語專門學校。一九一九年入國立北京大學，專攻教育。一九二四年畢業，得文學士學位。在未入大學前，曾服務於成都各校，先後約二年。大學畢業後，亦仍從事教育。一九二六年受安徽省總司令陳調元之聘，創辦蚌埠中學，任校長約半年，一九二七年受浙江省教育廳長蔣夢麟之召，初任教育廳秘書，繼任省立第一中學第一部主任。一九二九年奉浙江大學之派赴美攷查。既畢，入哥倫比亞大學師範學院之國際教育社爲特約研究生，得碩士學位。隨奉教育部命赴歐調查教育，經英德法俄四國而回，遂任教育部社會教育司司長。一九三一年受國立北京大學之聘，爲教育系教授，一九三二年奉教育部命組織赴歐教育攷查團，擔任中學教育之攷查，歷英，德，法，瑞，奧，意，丹麥，波蘭，俄，九國。一九三三年三月回國，調任教育部專員。五月奉國民政府命爲安徽省政府委員，兼教育廳廳長，至今在職。著有西洋教育史，設計教學法，近代歐美初等教育發達小史，重要社會問題，等書，由上海商務中華兩書局出版。

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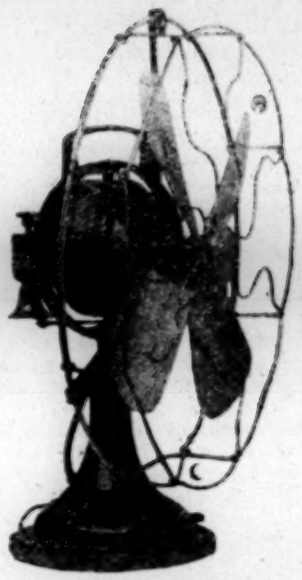

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Who's Who in China
(with Supplement)

The standard edition of *Who's Who in China*, published in 1931, has now been brought up to date through the publication of a 200-page supplement. The two books contain the pictures and biographical sketches of the leading men and women of affairs, in government service, business and the professions.

It's the only work of the kind in the English language, is fully indexed in both English and Chinese and most of the sketches contain the latest addresses in addition to information pertaining to date and place of birth, education, careers, etc.

No business office, home, school or public library is complete without *Who's Who in China* giving complete information about the leading men and women of affairs in the Chinese Republic.

If you already have the standard edition published in 1931, order the Supplement only. If not order both books. The prices in Chinese silver or U. S. currency, including postage are as follows:

	(In China)	(Abroad)
Standard Fourth Edition (1931)	$10.00 Ch.	$11.50 Ch. or U.S.$4.00
Supplement	2.50 Ch.	3.25 Ch. „ U.S. 1.00
Both Books	11.50 Ch.	13.50 Ch. „ U.S. 4.50

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The China Weekly Review
160 Avenue Edward VII
Shanghai.

Men and Events

The Shanghai American School held a May festival Thursday, May 10, on the quadrangle of the school on Avenue Petain.

P. W. Massey has resigned from the Shanghai Municipal Council to head the new ricsha board. Anson T. Wong and Col. M. T. Tchou are the other two members of the board.

The death occurred at Bombay March 19 of Dr. A. L. Nair, president of the Bombay Buddha Society. The funeral service, according to Buddhist rites, was conducted by Rev. U. Ottama, March 20.

Professor Julius Tandler, famous Viennese anatomist and former Chief of the Vienna Health Department, who recently visited Peiping, may return to a Chinese university shortly, according to *Reuter*.

E. W. Wilson, formerly connected with the Philippine National Bank and the Pacific National Bank of San Francisco was in Shanghai this week on his way home after a trip through the Far East.

Dr. J. Heng Liu, Director of Public Health Administration of the Ministry of Interior, returned to Nanking May 4 from an extensive tour of the cities of Kiukiang, Nanchang, Fuchow and Nancheng, in northern Kiangsi.

The Ministry of Industry has requested the Ministry of Finance to impose a higher tariff on imported fish from Japan. Special patrol boats are to be sent to the southern coast to protect the fishing trade there.

Mrs. Florence Ayscough will deliver a lecture entitled "The Connection Between Chinese Calligraphy, Poetry and Painting" (illustrated with lantern slides) before the North China Branch of the Royal Asiatic Society, May 17, 1934, at 5.15 p. m.

H. J. Hunt of Buffalo, N. Y., father of William P. Hunt of Shanghai, returned to the United States this week after a visit of several weeks with his son and daughter-in-law, Mrs. Wm. P. Hunt at their residence at 1813 Avenue Joffre.

The *Agriculture and Forest Notes* of the University of Nanking for April contain the information that about 160 mow of land at Wukiang adjacent to the land leased in 1933 has been secured, to be used for the cultivation of "Acala" cotton.

New duties, which affect the imports of egg products into Britain from China, came into force on May 8, whereby rates were made specific. The new rates work out at approximately 10 per cent of the current average import values.

C. J. Hamlin, retired attorney and businessman of Buffalo, N. Y., accompanied by his daughter Mary, departed for Peiping this week after a visit of several days in Shanghai. They have been on a trip to Netherlands Indies, Singapore, Siam and Indo-China.

The *Kingston* (Jamaica) *Gleaner* of March 13 in a feature article on the smuggling of opium into the Island says that prepared opium fetches £15 per pound in the Jamaica contraband market. The principal customers are in the Island's Chinese quarter.

Shanghai was placed under special precautions May 4 against possible disturbances on the occasion of the sixth anniversary of the Tsinan Incident. All amusement houses were closed in Tsinan on said date, in commemoration of the sixth anniversary of the Tsinan Incident.

All convicts serving terms in prison in China must be subject to military training so as to keep physically fit and be ready to serve the country in emergency, according to orders recently issued by General Chiang Kai-shek to the Higher Courts throughout the country.

Upon the recommendation of President Wang Ching-wei, concurrently Minister of Foreign Affairs, Chiang Tao-nan has been relieved from his post as Consul at Jesselton, North Borneo, and placed on the reserve list. Wu Chin-hsun has been appointed Consul at Santiago, Chile.

Reports were current during the week that Dr. C. T. Wang, former Foreign Minister, is being urged to return to official life. It was suggested that he might be invited to take up once more the post of Foreign Affairs at Nanking, or else be appointed chairman of the Peiping Political Council.

The eighth Synod of the Chung Hua Sheng Kung Hui—the Chinese Church of the Anglican Communion—met at Wuhu during the last week of April. Dr. Nichols was nominated as assistant bishop of the Diocese of Shanghai. Dr. Nichols came to China in 1902 and has worked at Soochow, Wusih and Shanghai in various capacities.

George Coleman of New York, director of Elbrook, Inc., who has been in Shanghai and north China for several weeks, departed this week on a trip to Manila, Netherlands Indies, Singapore and Siam, following which he will return to America by way of Shanghai and Japan. The Elbrook interests handle textile machinery and also operate a woolen textile factory in Tientsin.

Miss Lucille Douglass, formerly engaged in newspaper work in China, give an illustrated talk on the Yangtsze Gorges before the China Society of America in New York April 19.

Mrs. Cheng Lee-tsai, widow of a member of the staff of the Shanghai *Shun Pao* (who died about six weeks ago) was found dead in bed, as also were her three children, in her home in the French Concession, on the night of May 4. The apparent cause was overdoses of sleeping tablets.

Y. C. Lu, managing director of the China United Assurance Society, has been appointed by the American College of Life Underwriters at the City of Philadelphia as Councillor of its College for China. Mr. Lu has been in the life assurance business for more than 30 years. He is one of the founders of the China United Assurance Society.

Dr. Masaharu Anezaki, librarian at the Tokyo Imperial University, and Dr. Masamichi Rohyama, will be sent to the United States soon to lecture in various parts of the country on Japanese literature and art. Dr. Naojiro Sugiyama, also a professor at the Tokyo Imperial University, will be dispatched to France on a similar mission.

The Nanking Municipal Government has issued a circular order instructing that in the future signboards in front of shops must be written in Chinese and no foreign language should be used. Signboards now in use which are written in both Chinese and English will not be demolished; it is only new signboards which must be written in Chinese only.

A seminar on Far Eastern studies will be included in the University of California (Berkeley) summer session, June 25 to August 3. Subjects will embrace Oriental art, languages, history, culture and philosophy. Instruction will be directed by Arthur W. Hummell, chief of the division of Orientalia, Library of Congress, and noted authority on Japanese and Chinese studies.

Alexander B. Hayman, business manager of the *North China Star*, is sailing with Mrs. Hayman on the s.s. *Coblenz* on May 16 from Taku Bar en route to London via Suez and ports for a holiday. In London Mr. and Mrs. Hayman will stay with Mr. Hayman's mother and other relatives. They also intend to visit Paris for a brief holiday. They expect to return to Tientsin about the end of October.

Under the leadership of Rear-Admiral Wang Shou-ting, Commander of the Training Squadron, the 14 gunboats, which have completed their maneuvers at Pakuachow, near Nanking, sailed for Siangshan, on the Chekiang coast May 5 to hold another practice on the high seas. The maneuvers will last for a fortnight in an area extending from Siangshan to Amoy, Fukien.

The natives of Chungshan in Shanghai and Nanking have submitted a joint petition to the Government strongly denouncing Tang Shao-yi, the veteran Kuomintang leader, who is magistrate of the Model District of Chungshan. In their petition the people of Chungshan outline eight "serious crimes" of which they allege that Mr. Tang is guilty and demand his immediate dismissal.

The 23rd anniversary of the establishment of Tsinghua University was commemorated in Peiping, Apr. 29. The celebration was attended by over a thousand alumni as well as a number of distinguished visitors, including General Ho Ying-chin, Acting Chairman of the Peiping Branch of the Military Affairs Commission, and Dr. Chiang Mon-lin, Chancellor of Peiping National University.

The new office building of the Ministry of Foreign Affairs in Nanking, construction of which had been in progress for the past several months, has now been completed. The various Departments of the Ministry moved into the new quarters last week. The present premises of the Ministry will be demolished and the space will be utilized for the laying out of an elaborate garden.

Summer School at the University of Shanghai

The summer school of the University of Shanghai will be held from July 3 to August 2. There will be special courses for school teachers, religious work directors, and social workers. A number of scholarships will be provided. Applications must be sent to Dean T. K. Van of the University of Shanghai before June 20. One special feature of the summer school this year will be a seminar on education. The problems of new education will be studied carefully. Dr. W. T. Tao, a prominent revolutionary educator, has been invited to be one of the leaders. The summer session of the downtown school of commerce will be held from June 30 to July 31.

Mayor Wu Teh-chen Decorated by French Government

The National Government has given General Wu Teh-chen, Mayor of Shanghai, permission to accept the Legion of Honor, decoration, conferred upon him by the French Government.

U. S. Stock Exchange Legislation Passed by House

The bill for the regulations of stock exchanges was passed in the House of Representatives May 4 by a vote of 280 for and 84 against. The features of the bill as passed by the House are, firstly, the registration of all Stock Exchanges with the Federal Trade Commission; secondly, to empower the Federal Reserve Board to fix the minimum for margin requirements which, in normal times would be 45 per cent, and, thirdly, to prohibit manipulative devices, including pools, and other practices intended to create artificial prices. The Senate will probably concur.

Fifteen temporary airmail contracts were awarded to private operators, in the United States May 4. This is in accordance with President Roosevelt's recommendation of March 7 that new contracts be negotiated with private concerns under such conditions as would virtually eliminate many of the companies whose contracts were recently annulled.

Six U. S. mine-sweepers received orders May 6, to leave Bremerton, (Wash), for the Aleutian Islands where they are to proceed with topographical studies on the coast. They will be assisted by five seaplanes which are at present in Seattle. By virtue of the Washington Naval Treaty the United States is entitled to establish military bases in the Aleutian Islands beginning from December 31, 1936.

Homer S. Cummings, United States Attorney-General, May 5 ruled that Great Britain, by virtue of having made token war debt payments, was not a defaulter under the Johnson Act, which excludes debtor nations ftom American credit markets. The ruling also applies to Italy, Czecho-Slovakia, Latvia and Lithuania, but Russia is classed as a defaulter because debts contracted by previous Russian governments are still unpaid.

The annual (25th) report of the General Motors Corporation for 1933 show that the net earnings for the year were $83,213,-676 as against $164,979 in the previous year. In addition to the dividends on preferred stock, $1.25 per share was paid on the common stock.

International Petroleum Exposition to Be Held in Oklahoma

The Eighth International Petroleum Exposition and Congress will be held at Tulsa, Oklahoma, from May 12 to 19 inclusive. The Exposition covers exhibits on all branches of the industry, productions, transportation, refining and marketing. The Scientific and Technical Committee will have on display a great deal of technical apparatus and scientific exhibits that will be of utmost interest to the public and industry.

President Roosevelt Favors Nationalization of Silver

Working on the theory that action by the United States alone will not be sufficient to raise the price of silver, President Roosevelt, it is believed, will shortly request from Congress power to negotiate an international agreement, based on the idea that as regards the United States, the currency reserve shall consist of about three-quarters gold and one-quarter silver. At a conference at the White House May 8, participated in by the Senate silver bloc, President Roosevelt is stated to have outlined a program involving the nationalization of silver and the purchase of silver by the United States Treasury until the metallic silver reserve reaches 25 per cent of the total reserves. The announcement had an immediate effect in substantially raising the price of silver. Hopes for the passing of legislation to aid silver at this session of Congress have good chances of realization, it is said.

Silver Concentration in Shanghai as a Prelude to Bankruptcy

The *Central China Daily News* comments:—"According to reports from financial circles silver dollars transported to Shanghai from Soochow, Wusih, Nanking, Hangchow and several other Kiangsu cities during the month of March amounted to $1,427,400, while silver dollars sent to different Kiangsu cities from Shanghai during the same period only amounted to $276,800. Take Nanking for instance, the total amount of silver dollars sent to Shanghai amounted to $1,137,800 while silver dollars sent to Nanking from Shanghai only amounted to $170,700. Hangchow sent to Shanghai $208,300 in March but Shanghai only sent $6,600 to Hangchow in the same period. The difference is alarming and it is a good illustration of the seriousness of rural bankruptcy in the interior.

"There is every indication that in China money from the villages concentrates in the provincial cities and these cities then concentrate it at treaty ports, which concentrate it for exportation. This shows that China is sending huge sums of money to foreign countries and receiving very little from abroad. The natural result of this situation is certain bankruptcy."

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New Books of Interest in the Far East

The League and the East

The Society of Nations. Its Organization and Constitutional Development. By Felix Morley. The Brookings Institution, Washington, D. C.

Whether the League of Nations has, on the whole, gained or lost during the past two years, is a question which is answered by different observers in different ways. At the present time both China and the United States have drawn closer to the League. The technical assistance which China has been obtaining from the Geneva organization is now being further developed, and co-ordinated, while the American Government is now regularly co-operating with the League on the important disputes brought before it.

The League, indeed, has so far shown no power to settle these disputes. This does not mean that the power is not there. It means, simply, that the Great Powers dominating the League are not agreed upon the matter. It was shown in the Greek-Bulgarian dispute a few years ago that the dominant League Powers could act promptly and emphatically, and force the withdrawal of invading troops and an equitable settlement of a dispute. Neither of the disputants were Great Powers, however, and both were in Europe, the center of such power as the League possessed. A dispute involving a Great Power, with the closest relations with other Great Powers in the League, is another matter. And a location in the Far East, or in South America, also renders action more difficult.

In Felix Morley's book on the League he deals particularly with internal developments in the organization, with special relation to the Sino-Japanese dispute. He notes particularly the manner in which the League Assembly, dominated by the lesser states, asserted itself as sovereign in the course of the dispute. This "sovereign power," indeed, Morley tends to exaggerate. It can certainly be checked by the Great Powers whose agreement is necessary for any effective action, and which are in complete control of the Secretariat through which all actual work must be done. But it has been shown that the Assembly can declare for a position far more definite than the Great Powers (and their Council) would themselves take, and force the latter to at least a verbal abandonment of neutrality. For the League report on the Sino-Japanese dispute definitely committed members of the League to a policy opposing Japan's military gains, and to non-recognition of the "Manchukuo" regime.

Morley is well qualified to deal both with the League and the Eastern conflict. He was in the East a few years ago, and wrote an able summary of the situation here at the time in a little book called "Our Far Eastern Assignment." He went to Geneva in 1928, where he carried on there, as a Guggenheim Fellow, the study of which "The Society of Nations" is the product. In this book he deals first with "The League in Preparation," beginning with the American and British plans early in the Great War, going on to the Anglo-American Accord which was in large part responsible for the League, and pointing out the insistence of France (which she still adheres to) for the creation of an international standing army which should maintain peace by force of arms.

The Anglo-American plan for a League Council limited wholly to the Great (Allied) Powers failed of achievement owing to the opposition of France, Italy, and lesser states, in which connection the Chinese delegate, Dr. Wellington Koo, pointed out that no Great Power "had interests greater than the aggregate interests" of the fifty-odd "so-called Secondary Powers." The Anglo-American combination, however, was in general successful. They succeeded in blocking the resolution declaring for "racial equality," proposed by the Japanese and supported by the Chinese and most other delegates (including French and Italian). In connection with this proposal, it was widely interpreted as a mere bargaining point of the Japanese, who, being predestined to defeat on this issue, were in a better position to insist on their control of Kiaochow. From the viewpoint of China, however, such reasoning seems unsound in the extreme, as China was even more than Japan the victim of "White" discrimination against her people, so that she was both denied equal status in theory and deprived of Kiaochow in practice by the Versailles conference.

Another fruit of the Anglo-American Accord was League approval of "regional understandings like the Monroe Doctrine." The Monroe Doctrine (as Morley correctly points out) was not a regional understanding at all, but a unilateral declaration. But the blanket approval of such "regional understandings" obviously justified other one-sided declarations of Great Powers with regard to weaker nations, of which China had been so long a victim. Wellington Koo, on this basis, raised serious objections to the phrase, though not objecting to the Monroe Doctrine itself. To the British delegate, however, the phrase was of vital importance, Cecil declaring emphatically for it because of such British understandings as the "ancient understanding concerning Arabia, and the new understanding with regard to the Kingdom of the Hedjaz, whereby Great Britian is to direct their foreign relations" (he did not mention the understanding concerning Tibet), and Wilson's clause went through,—an undoubted encouragement to the Japanese in their assertion of an "Asiatic Monroe Doctrine."

Much of the American influence was a result of Wilson's desperate efforts to conciliate American opinion on the subject of the League. Besides the points mentioned above, this was evident in the provision for the unanimity rule in voting for the Council and Assembly (excepting in certain specified cases), and provision for withdrawal of a dissatisfied member from the League. By these provisions the League became a mere confederacy, with the independence and sovereignty of member States practically untouched. After the United States had been influential in weakening League powers in all possible ways, however, America failed to become a member of the League. But the Covenant remained as drafted.

America's abstention affected the League Council vitally. When the plan for a Council of the five Great Powers only was defeated, the lesser nations were permitted four non-permanent Councillors, leaving them in a minority of one. But America's failure to join left an unintended equal balance between Great and lesser Powers in the Council, and the lesser nations, working through the Assembly, later succeeded in gaining a Council majority and increasing it, the Great Powers however remaining a sort of "inner circle" or (as Morley terms it) "Super-Council."

Private arrangements, chicanery, and the ambition to form a new "Holy Alliance" characterized the formation of the League. Cecil's plan, envisaging a Council of Great Powers only, excluded not only Germany, but also Russia, a "definitely untrustworthy and hostile state." It was not for nothing that Hymans declared to Cecil, apropos of his proposed Great-Power absolutism, "What you propose is nothing less than the Holy Alliance."

Hostility was not only to Bolshevik Russia, but to other states insufficiently orthodox socially or insufficiently obedient to the Great Powers. Wilson put down Mexico, Costa Rica, and the Dominican Republic for exclusion, and they were accordingly excluded, though Costa Rica was a belligerent against Germany.

The four "non-permanent "members of the League Council were chosen in private discussion between Cecil and Miller (of the American delegation), and consisted of Greece (then a satellite of British policy), Belgium (satellite of France), Spain, and Brazil. China obtained a seat on the Council in 1921 thanks to the upheaval in Greece which ousted Venizelos and his pro-British policy, when Greece lost British support as a Council member.

The French, kept out of actual control by the Anglo-American Accord during the formation of the League, resorted to chicanery. Paragraph 5 of Article 22 provided that in mandates such as Central Africa, the mandatory state should prevent "military training of the natives for other than police purposes and the defense of territory." To this the surreptitious addition of a few words worked wonders, changing it to "military training of the natives for other than police purposes and the defence of the territory and *of the territory of the mother country*," which would have had special meaning for France with her African mandates. "This insertion," says Morley, "said to have been ordered by Clemenceau, was not discovered until shortly before the "Conditions of Peace," containing the Covenant, was about to be presented to the German delegation . . . The chicanery aroused strong opposition among both the British and American delegates . . . . and the offending words, which would have gone far to identify the new mandates system with pre-war colonial methods, were eliminated as quietly as they had been inserted."

Truly a Splendid Spirit for the Formation of a "Society of Nations."

The second part of Morley's book deals with "The League in Being," and deals successively with the technical committees, the Secretariat and its functions, the Council and its evolution—and the Sino-Japanese dispute,—and the Assembly and its development down to its self-assertion as "sovereign power" in the special session of 1932 in connection with the Sino-Japanese dispute. The work concludes with chapters describing the Assembly as "international parliament" and setting forth the "theory of the League," and appendices consisting of the Covenant and a list of League committees and commissions, also an index. There is a foreword by Eric Drummond, the value of which depends largely upon what one thinks of Eric Drummond.

In general, Morley's book is very informative, especially as regards the League in relation to the Sino-Japanese conflict and as affected by it. The author tends, as already noted, to over-emphasize the importance of the League, and particularly to magnify the significance of the League Assembly. Allowances must also be made for a hypercritical slant towards the French, who after all have been only logical. If there is to be a League to maintain peace among the ambitious and predatory Governments of today, it must obviously have an army and navy to do it with, under a unified control and able to take decisive action upon occasion. Had the French had their way such a body might have been established after the Great War (under Anglo-French control of course). But there is no possibility of it now, unless after another war.

At the present time, with reaction firmly in the saddle in Germany, both Italy and Tory Britain are all for permitting Germany to arm, and France is actually on the defensive on this point. A new balance of power is developing,—the prelude to a new war. Whichever group of allies wins the next World War will probably establish a real League which will dominate and control the rest of the world with an iron hand,—unless social revolution makes possible a friendly federation of socialistic and unaggressive states. But

the present League of Nations confederacy of sovereign states, dominated by a few predatory Great Powers, possesses none of the attributes of a World State.

H. H.

A Pioneer Publication of Value

The Chinese Diplomatic History, 1933. Compiled by Chang Chin. Published (in the Chinese language) by the Livelihood Book Company, Shanghai, 1934.

A need for such a book has long been felt and the only regret is that it has not appeared earlier. As pioneers in this field of endeavor, Chang Chin and his fellow compilers must be congratulated upon their initiative and patient work in getting out the publication. The book is certainly of general interest and as a reference work its value is tremendous. It is no exaggeration to say that no office or library in China can be said to be complete without a copy of this useful and informative publication.

The book contains five capters. The first chapter deals with the National Government and its foreign affairs. Chapter two describes the organization of the Ministry of Foreign Affairs and China's diplomatic and consular services abroad. The third chapter gives a summary of Chinese diplomatic history from the Manchu Dynasty to the present time. Chapter four is a complete record of China's foreign relations during 1933, dealing respectively with Japan, United States, Great Britain, Germany and Holland. Chapter five deals with the administrative changes in China's foreign affairs in 1933.

In addition to these five main chapters, there are attached twenty appendices, consisting chiefly of regulations relating to foreign affairs administration and tables of China's diplomatic and Consular services personnel. At the beginning of the book, are the photos of President Lin Sen of the National Government, Minister Wang Ching-wei and two vice-Ministers, Chinese Ambassadors and Ministers to foreign countries and several other pictures showing scenes of presentation of credentials to the National Government by foreign Ministers acreddited to China.

C. H. H.

New Atlas and Geography of China

The China Provincial Atlas and Geography. The North China Daily News and Herald, Ltd., Shanghai.

This comprises sixty pages packed with solid information about the provinces of China—an extension of an idea started years ago by a weekly journal known as the *National Review*. As a geography it is excellent, but as an atlas it is rather weak. In a work of this sort one would naturally expect maps with a certain amount of detail, whereas there are in this work merely ordinary zinc blocks with only an occasional city or stream indicated here and there. The information concerning the various provinces includes figures as to the area, climate, language, racial types, cities, rivers, mountains, harbors, railways, agriculture, mining, manufactures, etc. It is a large-sized volume, perfectly printed on superior paper, and an excellent reference work. But a really first-class atlas and geograply of China has yet to appear. There is also an instructive article on the Regional Distribution of China's Fauna and Flora by Arthur de C. Sowerby. The atlas is cloth-bound. Price, $6.00.

Following a suggestion from the Shanahai *Evening Post*, the publishers have announced that they are including the Shanghai-Hangchow road in the chapter devoted to China Highways and Kiangsu and Chekiang provinces.

Real Estate Review by Realty Investment Co.

The French Concession has not been mentioned for several weeks, but it does come forward definitely this week in the applications for new building.

The two apartments facing on Route Cardinal Mercier, between Avenue Joffre and Rue Bourgeat, top the list. These will be four stories high and are part of the development that includes the Cathay Mansions and the Grosvenor House.

A group of three foreign residences of more then ordinary interest will be built on Route Magy, between Route Dupleix and Avenue Haig. This reduces the distance on Route Magy that is undeveloped to the point where it is hoped Tifeng Road will soon be a continuation of an important cross-town street in the Western section.

Other new building in the French Concession include:

4 double shops and 11 Chinese houses on Route de Zikawei, East of Du Roi Albert.

2 shops, one double and 1 single on Route Cassini at the junction of Route de Zikawei.

And on Rue Ratard, East of Mercier, 4 Chinese 3-story houses.

In the Western district of the Settlement another large residential development is added to the many reported in this

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October 29, 1927 Vol. XLII No. 9
May 5, 1928 Vol. XLIV No. 9

Mail with statement to

The China Weekly Review

160 Avenue Edward VII
Shanghai

section recently. It will be on Penang Road, West of Gordon Road. The plan calls for the erection of 56 foreign dwelling house—5 Chinese houses and 2 garages.

Other new buildings in the same district are for 5 Chinese houses on Potoo Road, West of Gordon and Connaught Roads. One foreign dwelling house and 14 Chinese houses off Weihaiwei Road, West of Moulmein Road, and extension to a workshop off Ferry Road, North of Connaught Road.

In the Central district, the first is on the fast improving Peking Road, near Fokien Road. The plans are for 3 Foreign shops and 1 Chinese shop. Another is on Tibet and Amoy Roads for a petrol store. Two others are for additions and alterations, first of the Exchange building on Kiukiang Road, between the Bund and Szechuen Road, and the other for a newspaper office on Hankow Road, between Honan and Shantung Roads.

The northern section has just one permit, although with the boundary there is a lot of rebuilding; within the Northern district one permit is on Jehol Road and Haining Road Extension. It is for 3 Chinese houses and 1 Chinese bungalow.

The Eastern district has only one new print. It is for industry, an addition to a machine shop off Yangchow Road, west of Chemulpo Road.

If The Bed Pulls---PINKETTES Are Indicated !

It is generally a sign of a sluggish liver, the disinclination to be up and about, yet deriving no additional rest from lying late in bed; finally getting up disgruntled, with little time to spare, rushing off to work in a bad humour. All this can be avoided by an occasional dose of Pinkettes. These tiny laxative pills aid digestion, keep the liver active, and cleanse the food tract, thereby ensuring a healthy internal system.

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CUSTOMS NOTIFICATION NO. 1359

The public is hereby notified that the coastwise shipment of silver in any form suitable for minting will in future be permitted only on production of a Huchao issued by the Ministry of Finance.

H. O. Tong,
Superintendent of Customs.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 4th May, 1934.

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The National City Bank of New York, Rates of Exchange

Shanghai, May 9, 1934

Demand selling rate on America:	U.S.$100=Sh. $ 2.99
Demand buying rate on America:	U.S.$100=Sh. $ 2.96
Demand selling rate on London:	£1.0.0=Sh. $15.36
Demand rate buying on London:	£1.0.0=Sh. $15.06

Latest New York Stock Exchange Quotations

Market—Firm — Business Done 1,860,000 Shares

May 9, 1934

1933-34 High	1933-34 Low	Div. $ per Sh.	STOCK	Mon. May. 7	Tue. May 8
13¾	3	—	Adams Express	8	8⅜
33	11⅜	0.60	Alaska Juneau	17⅞	18½
160	70¾	6.00	Allied Chemical & Dye	142	140
107⅛	19½	4.00	American Can	96¾	98½
19⅝	5⅞	—	American & Foreign Power	7½	8¼
27¼	3½	—	American Metal Company	21¼	25
53½	10¾	—	American Smelting	38	41¼
134¾	86½	9.00	American Tel. & Tel.	109½	111¾
94¾	50⅜	5.00	American Tobacco "B"	70¼	71¼
43¼	10⅞	1.00	American Waterworks	17⅜	18½
22⅞	5	—	Anaconda Copper	14½	15
18⅝	5⅞	—	Atlas Corporation	11½	11⅝
84⅞	31	2.00	Auburn Automobiles	37	37¾
37⅞	8¼	—	Baltimore & Ohio	23	24¼
49½	10¾	—	Bethlehem Steel	34⅜	36¾
37⅞	18	1.60	Borden Company	23½	23
28½	5½	0.25	Borg Warner	22⅞	23⅜
20⅞	7¼	—	Canadian Pacific Railway	16	16⅝
103⅛	30½	—	Case, J. I.	54½	57¼
47⅞	16⅝	1.40	Chase National Bank	27½	28
52½	14⅞	2.50	Chesapeake Corporation	42⅜	43½
59	7¾	1.00	Chrysler Corporation	42⅜	43⅝
28⅛	9	0.50	Columbia Gas & Electric	12	12⅜
6⅛	1⅜	—	Commonwealth & Southern	2¼	2¼
64⅛	34¾	3.00	Consolidated Gas of N. Y.	32½	32¼
22½	4⅞	—	Continental Oil	19	19⅞
9	2⅝	—	Coty Inc.	5⅜	5⅜
5⅛	1½	—	Curtiss Wright Company	3¼	3⅜
102⅜	32½	*2.00	Du Pont de Nemours	86⅜	87½
95⅜	46	3.00	Eastman Kodak	87⅜	98¼
41⅝	10	—	Electric Bond & Share	12⅝	14
15⅞	3½	—	Electric Power & Light	5½	5⅝
19	12	—	Fox Film "A"	14⅜	15
10¾	2⅞	—	General Aviation	Unq.	5
30¼	10½	0.40	General Electric	20½	21
39⅞	21	1.50	General Foods	33⅛	33⅜
41½	10	*1.00	General Motors	33¼	34
49½	13¼	1.00	General Railway Signal	35½	36
27⅜	12	1.20	Gold Dust	19⅝	20¼
47½	9¼	—	Goodyear Tire & Rubber	31⅜	32⅝
40	6½	—	International Cement	24⅝	24½
46⅛	13⅝	0.60	International Harvester	35⅞	36½
29	6¾	—	International Nickel	27⅜	28⅝
21¾	5½	—	International Tel. & Tel.	11½	12½
65½	21¼	—	Johns Manville	49	51
26	7⅜	—	Kennecott	19½	20½
79⅜	37½	2.40	Lehman Corporation	76¼	68
99⅜	40½	*4.00	Liggett & Myers "B"	92	92
36½	8½	1.00	Loew's Inc.	31¼	32⅛
25¼	10⅜	1.20	Lorillard P. (Com.)	16⅞	17¼
35⅝	8⅝	—	Montgomery Ward	25¼	26⅝
64⅛	16⅞	1.00	National City Banks (bid price)	28¼	28½
41⅝	5⅝	—	National Distiller	24⅝	26
58½	14	—	New York Central	27⅜	28½
36½	12¾	8%S	North American	15½	16⅛
96⅝	31¼	2.00	Owens Illionois Glass	79	78
31⅞	15	1.00	Pacific Gas & Electric	17¼	18½
6⅞	1⅜	—	Packard Motors	4¼	4¼
42½	12¾	0.50	Pennsylvania Railroad	30¼	32
6⅜	1½	—	Pennroad Corporation	2⅜	2⅜
20⅝	4⅜	—	Phillips Petroleum	17⅜	17⅞
12¼	3	—	Radio Corporation	7½	7⅞
54⅛	26½	3.00	Reynolds Tobacco "B"	41½	42⅜
50⅜	12¼	—	Sears Roebuck	42⅜	44½
19½	6	1.00	Socony-Vacuum Corporation	15¼	15½
28	14¼	2.00	Southern California Edison	16⅝	17¼
22½	5¾	—	Standard Gas & Electric	9½	10
49¾	22¾	1.00	Standard Oil Co. of N. J.	42⅞	43⅝
60⅞	46	3.80	Sterling Products	57½	59¼
9	1½	—	Studebaker	4½	5
30⅛	10¾	1.00	Texas Corporation	24⅜	24½
9⅜	2⅝	0.12	Transamerica	6⅜	6⅝
51⅞	19¾	1.00	Union Carbide & Carbon	40⅞	41¼
133⅞	61¼	6.00	UnionPacific	125	125½
46⅝	16½	—	United Aircraft & Trans.	20	20⅝
14¼	4⅛	—	United Corporation	5⅛	5
25	14	1.20	United Gas Improvement	15⅝	16⅛
25	2⅞	—	U. S. Rubber	20¼	21⅛
67½	23⅝	—	U. S. Steel	44⅝	45⅞
51½	21½	*2.00	Universal Leaf Tobacco	45	46
28⅝	7⅝	—	Vanadium	21	21½
9⅛	1	—	Warner Bros. Pictures	6	6¼
58¾	19¾	—	Westinghouse E. & M.	33⅜	35
54⅞	25½	2.40	Woolworth	48⅝	49⅞
			PREFERRED STOCKs AND BONDS		
44⅞	7¼	none	American & Foreign Power 7% Pfd.	19⅝	20⅜
58½	23⅝	5.00	Amer. & For. Power 5% debs. of 2030	52½	54
80	35	6.00	American Waterworks $6 preferred	74½	73½
48	25	5.50	Cities Service Power & Light 5½s/52	Unq.	45
66	25	6.00	Electric Bond & Share $6 preferred	48½	50½
72¾	20½	4.50	Int. Tel. & Tel. conv. 4½s of 1939	63	64
65	34	5.00	New England Gas & Electric 5s 1947	55	53
85	35	6.00	Standard Gas & Elec. 6% notes 1935	79¼	80

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